

COLUMBUS COUNTY, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2016

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COUNTY MANAGER

Bill Clark

BOARD OF COUNTY COMMISSIONERS

James Prevatte - Chairman

Charles McDowell	Trent Burroughs
Amon E McKenzie	Ricky Bullard
Giles E. Byrd	Edwin Russ

COUNTY OFFICIALS

Bobbie Faircloth Finance Officer	Needom Hughes Tax Administrator
Michael Stephens County Attorney	June B. Hall Clerk to Board

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## FINANCIAL SECTION



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**INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Columbus County  
Whiteville, North Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Columbus County, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise Columbus County basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements bases on our audit. We did not audit the financial statements of Columbus Regional Healthcare System, which represents 99.85 percent, 99.78 percent, and 99.89 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Columbus Regional Healthcare System, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Columbus Regional Healthcare System and Columbus County Tourism Development Authority were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**Members**

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presents component units, each major fund, and the aggregate remaining fund information Columbus County, North Carolina as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance, the other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions on pages 4 through 13 and 65 through 71, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Columbus County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2017 on our consideration of Columbus County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbus County's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., P.A.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
February 6, 2017

## COLUMBUS COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Columbus County, we offer readers of Columbus County's financial statements this narrative overview and analysis of the financial activities of Columbus County for the fiscal year ended June 30, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### **Financial Highlights**

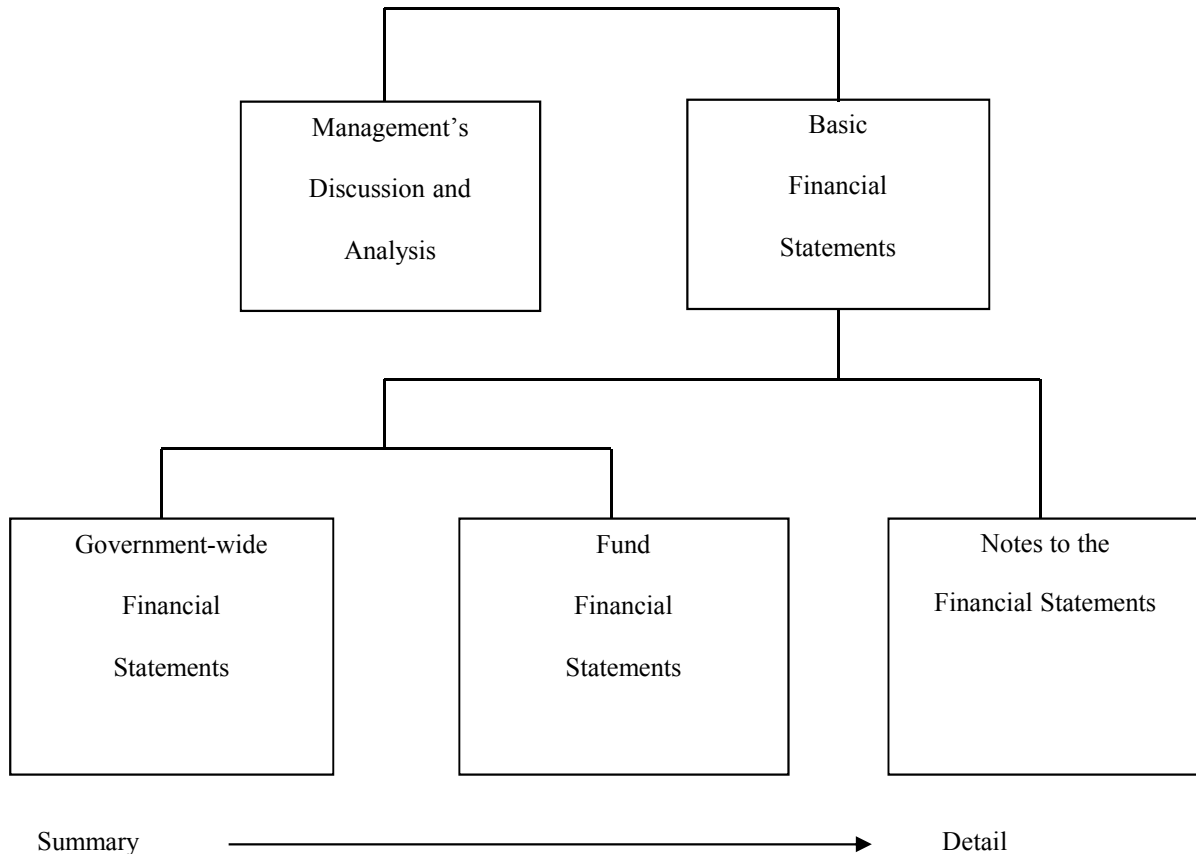
- The assets and deferred outflows of resources of Columbus County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$59,029,003 (net position).
- The government's total net position decreased by \$1,348,674 primarily due to a decreased net position in the Governmental Activities offset by an increase in the Business-Type Activities.
- As of the close of the current fiscal year, Columbus County's governmental funds reported combined ending fund balances of \$33,609,884, a decrease of \$3,036,144 in comparison with the prior year. Approximately 19.32 percent of this total amount, or \$6,493,309, is restricted or nonspendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,379,827 or 44.42 percent of total general fund expenditures for the fiscal year.
- Columbus County's total debt decreased by \$2,559,101 during the current fiscal year. The decrease was primarily due to the payment of debt service obligations, offset by refunding bonds issued.
- Columbus County's latest evaluations resulted in an Aa3 rating from Moody's and A from Standard and Poor's.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Columbus County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Columbus County.

**Required Components of Annual Financial Report**

Figure 1



**Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

## COLUMBUS COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Columbus County. The final category is the component units. Columbus Regional Healthcare System is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County. The County appoints the board of trustees for the Hospital and has issued debt on its behalf. The County also reports the Tourism Development Authority as a component unit.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Columbus County, like all other governmental entities, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Columbus County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Columbus County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** – Columbus County has one kind of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Columbus County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Columbus County has seven fiduciary funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit 9.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Columbus County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning at Exhibit A-1, directly after the notes.



COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Government-Wide Financial Analysis**

**COLUMBUS COUNTY'S NET POSITION**

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 38,318,483	\$ 44,691,720	\$ 8,677,605	\$ 8,048,091	\$ 46,996,088	\$ 52,739,811
Capital assets	32,732,872	32,421,586	35,393,709	35,898,618	68,126,581	68,320,204
Total assets	<u>71,051,355</u>	<u>77,113,306</u>	<u>44,071,314</u>	<u>43,946,709</u>	<u>115,122,669</u>	<u>121,060,015</u>
Total deferred outflows of resources	1,207,307	1,245,312	233,312	39,147	1,440,619	1,284,459
Long-term liabilities outstanding	31,028,264	31,806,083	20,947,844	21,080,087	51,976,108	52,886,170
Other liabilities	4,349,503	3,629,781	526,849	666,680	4,876,352	4,296,461
Total liabilities	<u>35,377,767</u>	<u>35,435,864</u>	<u>21,474,693</u>	<u>21,746,767</u>	<u>56,852,460</u>	<u>57,182,631</u>
Total deferred inflows of resources	661,995	4,043,614	19,830	127,109	681,825	4,170,723
Net position:						
Net investment in capital assets	20,051,189	22,381,404	15,118,361	15,415,248	35,169,550	37,796,652
Restricted	6,345,238	7,688,698	-	-	6,345,238	7,688,698
Unrestricted	9,822,473	8,809,038	7,691,742	6,696,732	17,514,215	15,505,770
Total net position	<u>\$ 36,218,900</u>	<u>\$ 38,879,140</u>	<u>\$ 22,810,103</u>	<u>\$ 22,111,980</u>	<u>\$ 59,029,003</u>	<u>\$ 60,991,120</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$59,029,003 as of June 30, 2016. The County's net position decreased by \$1,348,674 for the fiscal year ended June 30, 2016. One of the largest portions, \$35,169,550 (59.58%) reflects the County's net investment in capital assets. Columbus County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Columbus County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Columbus County's net position \$6,345,238 (10.75%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$17,514,215 (29.67%) is unrestricted.

Several particular aspects of the County's financial operations contributed to the increase in the total unrestricted governmental net position:

- Increase in overall expenditures in the Governmental and Business-Type Activities
- No longer charging special district taxes in the water district funds
- Various projects that are under construction that are financed with loans or grant proceeds.

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

COLUMBUS COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 4,405,028	\$ 4,790,595	\$ 8,333,375	\$ 8,675,414	\$ 12,738,403	\$ 13,466,009
Operating grants and contributions	14,200,191	14,527,908	1,835,215	1,739,006	16,035,406	16,266,914
Capital grants and contributions	416,554	1,161,967	417,633	972,561	834,187	2,134,528
General revenues:					-	
Property taxes	31,593,223	31,031,542	-	-	31,593,223	31,031,542
Other taxes	7,452,965	6,957,334	-	-	7,452,965	6,957,334
Grants and contributions not restricted to specific programs	105,169	66,449	-	-	105,169	66,449
Other	(611,211)	240,535	160,773	13,125	(450,438)	253,660
Total revenues	57,561,919	58,776,330	10,746,996	11,400,106	68,308,915	70,176,436
Expenses:						
General government	6,427,283	6,164,794	-	-	6,427,283	6,164,794
Public safety	14,337,976	14,025,611	-	-	14,337,976	14,025,611
Transportation	512,917	691,135	-	-	512,917	691,135
Economic and physical development	3,683,982	2,586,291	-	-	3,683,982	2,586,291
Human services	20,309,261	20,189,268	-	-	20,309,261	20,189,268
Cultural and recreation	1,872,258	1,753,308	-	-	1,872,258	1,753,308
Education	12,945,647	10,872,717	-	-	12,945,647	10,872,717
Interest on long-term debt	396,601	448,786	-	-	396,601	448,786
Landfill	-	-	4,345,487	4,399,675	4,345,487	4,399,675
Water and sewer	-	-	3,132,406	3,314,694	3,132,406	3,314,694
Section 8 Housing	-	-	1,693,771	1,680,759	1,693,771	1,680,759
Total expenses	60,485,925	56,731,910	9,171,664	9,395,128	69,657,589	66,127,038
Increase in net position before transfers and special items	(2,924,006)	2,044,420	1,575,332	2,004,978	(1,348,674)	4,049,398
Transfers and special items	166,067	166,067	(166,067)	(166,067)	-	-
Increase in net position after transfers and special items	(2,757,939)	2,210,487	1,409,265	1,838,911	(1,348,674)	4,049,398
Net position, beginning	38,879,140	38,786,524	22,111,980	20,342,305	60,991,120	59,128,829
Net position, beginning, restated	38,976,839	36,668,653	21,400,838	20,273,069	60,377,677	56,941,722
Net position, ending	\$ 36,218,900	\$ 38,879,140	\$ 22,810,103	\$ 22,111,980	\$ 59,029,003	\$ 60,991,120

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Governmental activities.** Governmental activities decreased the County's net position by \$2,757,939 thereby accounting for 100% of the total decrease in the net position of Columbus County. Key elements of this increase are as follows:

- Increase in property tax revenues as a result of the State's Tax and Tag program
- Significant increase in expenditures of the governmental activities
- Loss in market value on investments

**Business-type activities.** Business-type activities increased Columbus County's net position by \$1,409,265, accounting for 100% of the total increase in the government's net position. Key elements of this increase are as follows:

- Significant declines in expenditures
- Capital contributions of \$417,633 for the Hallsboro Water District project
- Decline in revenues because the County no longer charges the special district taxes on Water Districts II and III.

### **Financial Analysis of the County's Funds**

As noted earlier, Columbus County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Columbus County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Columbus County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of Columbus County. At the end of the current fiscal year, Columbus County's fund balance available in the General Fund was \$28,141,318, while total fund balance reached \$33,197,412. The County currently has an available fund balance of 49.25 percent of total General Fund expenditures, while total fund balance represents 58.10 percent of that same amount.

At June 30, 2016, the governmental funds of Columbus County reported a combined fund balance of \$33,609,884, a 8.31% percent decrease from the previous year. The primary reason for this decrease was a result of the spending funds received in previous years for projects, and an appropriation made to the railroad of \$1,800,000.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$2,508,711.

**Proprietary Funds.** Columbus County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net position of the Solid Waste Fund at the end of the fiscal year amounted to \$5,359,889, and those for the Water Funds equaled \$17,225,468. The County also reports a fund balance of \$224,745 in the Section 8 Housing fund. The total change in net position for these funds was \$1,043,532, \$317,943, and \$47,790, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Columbus County's business-type activities.

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Capital Asset and Debt Administration**

**Capital Assets.** Columbus County's capital assets for its governmental and business – type activities as of June 30, 2016, totals \$68,126,581 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

**COLUMBUS COUNTY'S CAPITAL ASSETS**

(net of depreciation)

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,261,321	\$ 1,108,139	\$ 613,439	\$ 603,413	\$ 1,874,760	\$ 1,711,552
Construction in Progress	15,240,535	14,003,153	5,713,083	5,146,352	20,953,618	19,149,505
Buildings and improvements	15,323,721	16,403,359	4,324	12,613	15,328,045	16,415,972
Vehicles	877,287	873,115	196,687	84,936	1,073,974	958,051
Furniture, fixtures and equipment	30,008	33,820	30,842	33,332	60,850	67,152
Distributions systems	-	-	28,804,616	29,986,311	28,804,616	29,986,311
Other	-	-	30,718	31,661	30,718	31,661
<b>Total</b>	<b>\$ 32,732,872</b>	<b>\$ 32,421,586</b>	<b>\$ 35,393,709</b>	<b>\$ 35,898,618</b>	<b>\$ 68,126,581</b>	<b>\$ 68,320,204</b>

Major capital asset transactions during the year include:

- Purchased new vehicles for Sheriff's Department and Health Department
- Construction of distribution lines to the County's Water & Sewer Districts
- Various airport projects and new courthouse construction

Additional information on the County's capital assets can be found in notes to the Financial Statements.

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Long-term Debt.** As of June 30, 2016, Columbus County had total bonded debt outstanding of \$19,365,500, all but \$2,029,500 (Revenue Bonds) of which is debt backed by the full faith and credit of the County. The County also has installment obligations of \$12,693,103, limited obligation bonds of \$13,440,000, and revolving loan fund obligations of \$321,623

**COLUMBUS COUNTY'S OUTSTANDING DEBT**  
**General Obligation and Installment Debt**

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ -	\$ -	\$17,336,000	\$18,020,500	\$17,336,000	\$ 18,020,500
Unamortized Bond Premium	-	-	576,805	-	576,805	-
Limited Obligation Bonds	-	-	13,440,000	-	13,440,000	-
Revenue Bonds	-	-	2,029,500	708,000	2,029,500	708,000
Revolving Loan Funds	-	-	321,623	348,425	321,623	348,425
Installment Purchases	12,681,683	15,032,762	11,420	69,445	12,693,103	15,102,207
<b>Total</b>	<b>\$ 12,681,683</b>	<b>\$ 15,032,762</b>	<b>\$ 33,715,348</b>	<b>\$ 19,146,370</b>	<b>\$ 46,397,031</b>	<b>\$ 34,179,132</b>

Columbus County's total debt increased by \$12,217,899 (35.75 percent) during the past fiscal year, primarily due to the refunding of water district debt and issuance of limited obligation bonds.

As mentioned in the financial highlights section of this document, Columbus County received an Aa3 bond rating from Moody's Investor Service and A rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Columbus County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Columbus County is \$77,859,016.

Additional information regarding Columbus County's long-term debt can be found in the notes to the financial statements under Section B.

COLUMBUS COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Economic Factors and Next Year's Budgets and Rates**

Columbus County continues to be involved in the textile industry through the production of advanced textile materials at our three premier production facilities – National Spinning, Whiteville Fabrics, and Filtec Precise. Though these facilities have continued to do well and have experienced growth, the Economic Development Commission has focused its recruiting efforts on other growth industries that might be a good fit for the county. We have seen significant growth in the wood and paper products sector with the expansion of the fluff production operations at International Paper (a \$160 MM expansion) and with the installation of the new planer line to the West Fraser lumber mill (a \$20+ MM expansion). Special emphasis has been placed on recruiting food processors to Columbus County as evidenced by the designation of the Southeastern Regional Park as the only “Triple Certified site” in the State of North Carolina. The SERP is a Certified Food and Beverage Site by Garner Economics, is a Certified Site by the State of North Carolina through the Certified Sites program, and was recently certified as a “Shovel Ready Food Site” by Duke Energy and the Austin Consulting Group. The county continues to be a major contributor to the generation of renewable energy as the host to over two dozen solar production facilities with several more solar farms planned for 2017. Columbus County ranks third among the 100 counties in North Carolina in the production of solar energy at this time. The Columbus County EDC is also heavily focused on the attraction of Foreign Direct Investment into the county and is in discussions with several international clients that have expressed an interest in Columbus County as a possible site for future manufacturing facilities.

**Budget Highlights for Fiscal Year Ending June 30, 2017**

**Government Activities:**

The property tax rate remained steady at .805. Revenues from permits and fees are expected to be the same as the current year.

Budget expenditures in the General Fund have increased over last year amounts.

**Business Type Activities:**

Water District II and Water District III will no longer charge district taxes. Rates for landfill user services will decrease by \$10 from the fiscal year ended June 30, 2016.

**Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Columbus County, 111 Washington Street, Whiteville, NC 28472. You can also call (910)-642-6825, visit our website [www.columbusco.org](http://www.columbusco.org) or send an email to [bfaircloth@columbusco.org](mailto:bfaircloth@columbusco.org) for more information.

BASIC  
FINANCIAL STATEMENTS

**Columbus County, North Carolina**  
**Statement of Net Position**  
**June 30, 2016**

	Primary Government			Component Unit		
	Governmental Activities	Business-type Activities	Total	Columbus Tourism Authority	Columbus Regional Healthcare System	Total Reporting Unit
<b>ASSETS</b>						
Cash and cash investments	\$ 30,820,259	\$ 6,865,802	\$ 37,686,061	\$ 172,901	\$ 11,332,123	\$ 49,191,085
Taxes receivable (net)	2,732,374	1,098,346	3,830,720	-	-	3,830,720
Accounts receivables (net)	999,670	656,351	1,656,021	12,398	12,052,168	13,720,587
Due from other governments	3,051,780	6,252	3,058,032	-	-	3,058,032
Due from other funds	199,964	(199,964)	-	-	-	-
Net pension asset	104,661	-	104,661	-	2,226,450	2,331,111
Other assets	-	-	-	-	2,539,548	2,539,548
Inventories	77,679	-	77,679	-	1,819,810	1,897,489
Prepaid items	70,392	-	70,392	-	870,638	941,030
Restricted cash and cash equivalents	261,704	250,818	512,522	-	-	512,522
Assets limited as to use	-	-	-	-	46,078,689	46,078,689
Capital assets:						
Land, improvements, and construction in progress	16,501,856	6,326,522	22,828,378	-	3,653,381	26,481,759
Other capital assets, net of depreciation	16,231,016	29,067,187	45,298,203	-	41,251,721	86,549,924
Total capital assets	32,732,872	35,393,709	68,126,581	-	44,905,102	113,031,683
Total assets	\$ 71,051,355	\$ 44,071,314	\$ 115,122,669	\$ 185,299	\$ 121,824,528	\$ 237,132,496
<b>DEFERRED OUTFLOWS OF RESOURCE</b>	\$ 1,207,307	\$ 233,312	\$ 1,440,619	\$ -	\$ 1,144,182	\$ 2,584,801
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 3,065,195	\$ 206,457	\$ 3,271,652	\$ -	\$ 8,443,276	\$ 11,714,928
Unearned revenue	-	-	-	-	-	-
Accrued interest payable	68,920	63,645	132,565	-	-	132,565
Customer deposits	-	219,011	219,011	-	-	219,011
Estimated third party payer settlements	-	-	-	-	5,876,611	5,876,611
Minority interest	-	-	-	-	-	-
Long-term liabilities:						
Due within one year	1,641,144	460,664	2,101,808	-	1,035,000	3,136,808
Net pension liability	1,215,388	37,736	1,253,124	-	-	1,253,124
Due in more than one year	29,387,120	20,487,180	49,874,300	-	23,190,285	73,064,585
Total long-term liabilities	32,243,652	20,985,580	53,229,232	-	24,225,285	77,454,517
Total liabilities	\$ 35,377,767	\$ 21,474,693	\$ 56,852,460	\$ -	\$ 38,545,172	\$ 95,397,632
<b>DEFERRED INFLOWS OF RESOURCES</b>	\$ 661,995	\$ 19,830	\$ 681,825	\$ -	\$ 361,134	\$ 1,042,959
<b>NET POSITION</b>						
Net investment in capital assets	\$ 20,051,189	\$ 15,118,361	\$ 35,169,550	\$ -	\$ 20,679,817	\$ 55,849,367
Restricted for:						
State Statute	4,908,023	-	4,908,023	12,398	-	4,920,421
Public Safety	967,960	-	967,960	-	-	967,960
Transportation	194,390	-	194,390	-	-	194,390
Economic & Physical Development	168,935	-	168,935	172,901	-	341,836
Airport Improvements	105,930	-	105,930	-	-	105,930
Specific Activities and Capital	-	-	-	-	2,255,234	2,255,234
Net Pension	-	-	-	-	2,226,450	2,226,450
Unrestricted (deficit)	9,822,473	7,691,742	17,514,215	-	58,900,903	80,896,802
Total net position	\$ 36,218,900	\$ 22,810,103	\$ 59,029,003	\$ 185,299	\$ 84,062,404	\$ 143,276,706

The notes to the financial statements are an integral part of this statement.



**Columbus County, North Carolina  
Statement of Activities  
For the Year Ended June 30, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit		Total Reporting Unit
					Governmental Activities	Business-type Activities	Total	Columbus Tourism Authority	Columbus Regional Healthcare System	
<b>Primary government:</b>										
Governmental Activities:										
General government	\$ 6,427,283	\$ 427,019	\$ 14,000	\$ -	\$ (5,986,264)	\$ -	\$ (5,986,264)	\$ -	\$ -	\$ (5,986,264)
Public safety	14,337,976	1,717,384	434,155	-	(12,186,437)	-	(12,186,437)	-	-	(12,186,437)
Transportation	512,917	152,167	445,062	155,857	240,169	-	240,169	-	-	240,169
Economic and physical development	3,683,982	479,187	220,187	-	(2,984,608)	-	(2,984,608)	-	-	(2,984,608)
Human services	20,309,261	1,331,673	12,971,187	-	(6,006,401)	-	(6,006,401)	-	-	(6,006,401)
Cultural and recreation	1,872,258	93,968	115,600	-	(1,662,690)	-	(1,662,690)	-	-	(1,662,690)
Education	12,945,647	203,630	-	260,697	(12,481,320)	-	(12,481,320)	-	-	(12,481,320)
Interest on long-term debt	396,601	-	-	-	(396,601)	-	(396,601)	-	-	(396,601)
Total governmental activities	<u>60,485,925</u>	<u>4,405,028</u>	<u>14,200,191</u>	<u>416,554</u>	<u>(41,464,152)</u>	<u>-</u>	<u>(41,464,152)</u>	<u>-</u>	<u>-</u>	<u>(41,464,152)</u>
Business-type activities:										
Solid Waste	4,345,487	5,243,919	96,038	-	-	994,470	994,470	-	-	994,470
Water District I	315,943	600,935	-	-	-	284,992	284,992	-	-	284,992
Water District II	892,460	741,991	-	-	-	(150,469)	(150,469)	-	-	(150,469)
Water District III	533,774	534,116	-	-	-	342	342	-	-	342
Water District IV	625,866	469,140	-	417,633	-	260,907	260,907	-	-	260,907
Water District V	764,363	742,951	-	-	-	(21,412)	(21,412)	-	-	(21,412)
Section 8 Housing	1,693,771	323	1,739,177	-	-	45,729	45,729	-	-	45,729
Total business-type activities	<u>9,171,664</u>	<u>8,333,375</u>	<u>1,835,215</u>	<u>417,633</u>	<u>-</u>	<u>1,414,559</u>	<u>1,414,559</u>	<u>-</u>	<u>-</u>	<u>1,414,559</u>
Total primary government	<u>69,657,589</u>	<u>12,738,403</u>	<u>16,035,406</u>	<u>834,187</u>	<u>(41,464,152)</u>	<u>1,414,559</u>	<u>(40,049,593)</u>	<u>-</u>	<u>-</u>	<u>(40,049,593)</u>
<b>Component Units:</b>										
Columbus Tourism Authority	64,059	-	-	-	-	-	-	(64,059)	-	(64,059)
Columbus Regional Healthcare System	84,186,473	89,124,041	286,593	-	-	-	-	-	5,224,161	5,224,161
Total component units	<u>\$ 84,250,532</u>	<u>\$ 89,124,041</u>	<u>\$ 286,593</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,059)</u>	<u>5,224,161</u>	<u>5,160,102</u>
General revenues:										
Taxes:										
Property taxes, levied for general purpose					31,593,223	-	31,593,223	-	-	31,593,223
Local option sales tax					7,283,106	-	7,283,106	-	-	7,283,106
Other taxes and licenses					169,859	-	169,859	100,021	-	269,880
Unrestricted Intergovernmental					105,169	-	105,169	-	-	105,169
Investment earnings, unrestricted					(949,516)	-	(949,516)	-	685,250	(264,266)
Sale of assets					-	-	-	-	(56,161)	(56,161)
Goodwill Impairment					-	-	-	-	(585,001)	(585,001)
Miscellaneous, unrestricted					338,305	160,773	499,078	-	-	499,078
Transfers					166,067	(166,067)	-	-	-	-
Total general revenues, special items, and transfers					<u>38,706,213</u>	<u>(5,294)</u>	<u>38,700,919</u>	<u>100,021</u>	<u>44,088</u>	<u>38,845,028</u>
Change in net position					(2,757,939)	1,409,265	(1,348,674)	35,962	5,268,249	3,955,537
Net position-beginning					38,879,140	22,111,980	60,991,120	149,337	78,794,155	139,934,612
Prior Period Adjustment					97,699	(711,142)	(613,443)	-	-	(613,443)
Net position-beginning, restated					<u>38,976,839</u>	<u>21,400,838</u>	<u>60,377,677</u>	<u>149,337</u>	<u>78,794,155</u>	<u>139,321,169</u>
Net position-ending					<u>\$ 36,218,900</u>	<u>\$ 22,810,103</u>	<u>\$ 59,029,003</u>	<u>\$ 185,299</u>	<u>\$ 84,062,404</u>	<u>\$ 143,276,706</u>

The notes to the financial statements are an integral part of this statement.

**Columbus County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	<b>Major Governmental Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Other Governmental Funds</b>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 30,271,120	\$ 1,753,907	\$ 32,025,027
Cash and cash equivalents-Restricted	261,704	-	261,704
Receivables, net	1,977,565	350,187	2,327,752
Other Receivables	829,636	170,034	999,670
Receivable - Advance to capital project funds	827,889	-	827,889
Due from other governments	3,050,534	1,246	3,051,780
Due from other funds	199,964	33,902	233,866
Inventories	77,679	-	77,679
Prepaid Expenses	70,392	-	70,392
Total assets	<u>\$ 37,566,483</u>	<u>\$ 2,309,276</u>	<u>\$ 39,875,759</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
General fund advance for capital projects	\$ -	\$ 827,889	\$ 827,889
Accounts payable and accrued liabilities	2,346,467	718,728	3,065,195
Due to other funds	33,902	-	33,902
Total liabilities	<u>\$ 2,380,369</u>	<u>\$ 1,546,617</u>	<u>\$ 3,926,986</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid Taxes	\$ 11,137	\$ -	\$ 11,137
Taxes Receivable	1,977,565	350,187	2,327,752
Total deferred inflows of resources	<u>\$ 1,988,702</u>	<u>\$ 350,187</u>	<u>\$ 2,338,889</u>
Fund balances:			
Nonspendable:			
Inventories	\$ 77,679	\$ -	\$ 77,679
Prepaid Expenses	70,392	-	70,392
Restricted:			
State statue	4,908,023	-	4,908,023
Public Safety	-	967,960	967,960
Transportation	-	194,390	194,390
Economic & Physical Development	-	168,935	168,935
Airport Improvements	-	105,930	105,930
Committed:			
Tax Revaluation	158,939	-	158,939
Reserve No Till Drill	37,520	-	37,520
ROD Automation enhancement	83,878	-	83,878
Health department	1,315,072	-	1,315,072
Debt service	-	-	-
Fall soccer league	7,930	-	7,930
Various	78,122	-	78,122
Assigned:			
Designated for subsequent year's expenditures	1,080,030	-	1,080,030
Unassigned:	25,379,827	(1,024,743)	24,355,084
Total fund balances	<u>\$ 33,197,412</u>	<u>\$ 412,472</u>	<u>\$ 33,609,884</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,566,483</u>	<u>\$ 2,309,276</u>	<u>\$ 39,875,759</u>

The notes to the financial statements are an integral part of this statement.

**Columbus County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total Fund Balance - Governmental Funds	\$ 33,609,884
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	32,732,872
Amounts by which the investment balances differ (cost is recorded on the fund statements and market is recorded on the government-wide statements)	(1,204,768)
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	404,622
Net Pension Asset	104,661
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	
LGERS	1,149,099
ROD	4,893
Deferred outflows related to pensions	
LGERS	46,527
ROD	6,788
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	2,327,752
Pension Related Deferrals	
LGERS	(638,721)
ROD	(12,137)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(12,681,683)
Compensated absences	(1,357,624)
Pension plan obligation	(611,588)
Other Post Employment Benefits	(16,377,369)
Net Pension Liability	(1,215,388)
Accrued interest payable	(68,920)
Net position of governmental activities	<u>\$ 36,218,900</u>

The notes to the financial statements are an integral part of this statement.

**Columbus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	<u>Major Governmental</u>		<u>Non-Major</u>		<u>Total</u>
	<u>Fund</u>		<u>Governmental Funds</u>		
	<u>General Fund</u>		<u>Other Governmental</u>		<u>Funds</u>
			<u>Funds</u>		<u>Funds</u>
<b>REVENUES</b>					
Ad valorem taxes	\$	29,272,549	\$	2,423,309	\$ 31,695,858
Other taxes and licenses		7,452,164		96,421	7,548,585
Unrestricted intergovernmental		119,141		-	119,141
Restricted intergovernmental		13,271,297		1,317,475	14,588,772
Permits and fees		1,289,445		-	1,289,445
Sales and services		2,955,529		55,746	3,011,275
Investment earnings		252,656		2,794	255,450
Miscellaneous		149,498		211,496	360,994
Total revenues	\$	<u>54,762,279</u>	\$	<u>4,107,241</u>	\$ <u>58,869,520</u>
<b>EXPENDITURES</b>					
Current:					
General government	\$	5,939,212	\$	-	\$ 5,939,212
Public safety		9,895,337		2,765,395	12,660,732
Transportation		-		514,370	514,370
Economic and physical development		1,513,214		297,044	1,810,258
Human services		19,618,284		-	19,618,284
Cultural and recreational		1,807,402		-	1,807,402
Education		11,140,160		1,926,697	13,066,857
Special Appropriations		2,858,106		-	2,858,106
Capital project		-		1,162,382	1,162,382
Debt service:					
Principal		1,261,033		968,836	2,229,869
Interest and other charges		137,184		267,075	404,259
Total expenditures		<u>54,169,932</u>		<u>7,901,799</u>	<u>62,071,731</u>
Excess (deficiency) of revenues over expenditures	\$	<u>592,347</u>	\$	<u>(3,794,558)</u>	\$ <u>(3,202,211)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$	173,941	\$	2,962,399	\$ 3,136,340
Transfers (out)		(2,970,273)		-	(2,970,273)
Installment purchase obligations issued		-		-	-
Total other financing sources and uses	\$	<u>(2,796,332)</u>	\$	<u>2,962,399</u>	\$ <u>166,067</u>
Net change in fund balance	\$	(2,203,985)	\$	(832,159)	\$ (3,036,144)
Fund balances-beginning		35,301,397		1,246,932	36,548,329
Prior Period Adjustment		100,000		(2,301)	97,699
Fund balances-ending	\$	<u><u>33,197,412</u></u>	\$	<u><u>412,472</u></u>	\$ <u><u>33,609,884</u></u>

The notes to the financial statements are an integral part of this statement.

**Columbus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (3,036,144)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	1,894,176
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,582,890)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,151,932
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities -- it affects only the government-wide statement of net position.	-
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	2,351,079
Unrealized Gains (Losses) on Investments (difference between cost and market value)	(1,204,966)
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	7,658
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	105,021
(Increase) Decrease in unfunded pension obligation	(43,264)
(Increase) in Other Post Employment Benefits Liability	(1,635,017)
County's portion of collective pension expense	(662,889)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (decrease) in deferred revenue	(87,146)
Increase (decrease) in accrued taxes receivable	(15,489)
Total changes in net position of governmental activities	<u>\$ (2,757,939)</u>

The notes to the financial statements are an integral part of this statement.

**Columbus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2016**

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive Negative
<b>Revenues:</b>				
Ad valorem taxes	\$ 29,304,276	\$ 29,363,207	\$ 29,272,549	\$ (90,658)
Other taxes and licenses	6,920,141	7,078,641	7,452,164	373,523
Unrestricted intergovernmental	-	117,012	119,141	2,129
Restricted intergovernmental	15,127,429	13,821,244	13,271,297	(549,947)
Permits and fees	518,600	1,355,156	1,289,445	(65,711)
Sales and services	2,579,739	3,318,443	2,955,529	(362,914)
Investment earnings	-	75,000	252,656	177,656
Miscellaneous	638,330	302,745	149,498	(153,247)
Total revenues	<u>\$ 55,088,515</u>	<u>\$ 55,431,448</u>	<u>\$ 54,762,279</u>	<u>\$ (669,169)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	\$ 6,572,228	\$ 6,661,081	\$ 5,939,212	\$ 721,869
Public safety	10,464,318	10,816,924	9,895,337	921,587
Economic and physical development	1,667,472	1,884,310	1,513,214	371,096
Human services	21,121,460	20,927,732	19,618,284	1,309,448
Cultural and recreational	1,835,736	1,881,241	1,807,402	73,839
<b>Intergovernmental:</b>				
Education	11,507,139	11,547,139	11,140,160	406,979
Special appropriations	992,354	2,904,324	2,858,106	46,218
<b>Debt service:</b>				
Principal retirement	1,519,860	1,519,860	1,261,033	258,827
Interest and other charges	135,544	135,544	137,184	(1,640)
Total expenditures	<u>\$ 55,816,111</u>	<u>\$ 58,278,155</u>	<u>\$ 54,169,932</u>	<u>\$ 4,108,223</u>
Revenues over (under) expenditures	<u>\$ (727,596)</u>	<u>\$ (2,846,707)</u>	<u>\$ 592,347</u>	<u>\$ 3,439,054</u>
<b>Other financing sources (uses):</b>				
Transfer - Out	\$ (3,092,463)	\$ (3,139,130)	\$ (2,990,273)	\$ 148,857
Transfer - In	177,351	177,351	173,941	(3,410)
Proceeds from capital leases	-	-	-	-
Fund balance appropriated	3,642,708	5,808,486	-	(5,808,486)
Total other financing sources (uses)	<u>\$ 727,596</u>	<u>\$ 2,846,707</u>	<u>\$ (2,816,332)</u>	<u>\$ (5,663,039)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,223,985)</u>	<u>\$ (2,223,985)</u>
<b>Fund balances:</b>				
Beginning of year, July 1			35,162,458	
Prior Period Adjustment			<u>100,000</u>	
End of year, June 30			<u>\$ 33,038,473</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			-	
Transfer from General Fund			20,000	
Expenditures			-	
Fund balance, beginning of year			<u>138,939</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 33,197,412</u>	

The notes to the financial statements are an integral part of this statement.

**Columbus County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2016**

	MAJOR						NON-MAJOR		Totals
	Solid Waste	Water Fund	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>ASSETS</b>									
Current assets:									
Cash and cash equivalents	\$ 2,861,008	\$ -	\$ 803,222	\$ 723,208	\$ 592,762	\$ 696,076	\$ 792,107	\$ 397,419	\$ 6,865,802
Taxes receivable (net)	1,065,907	-	20,034	12,405	-	-	-	-	1,098,346
Accounts receivable (net)	146,401	-	128,413	79,354	59,157	152,564	90,462	-	656,351
Due from other governments	3,931	-	1,201	(500)	1,210	-	8	402	6,252
Due from other funds	-	-	-	-	-	-	-	-	-
Due from Districts - Current LOBs	-	305,000	-	-	-	-	-	-	305,000
Total current assets	<u>4,077,247</u>	<u>305,000</u>	<u>952,870</u>	<u>814,467</u>	<u>653,129</u>	<u>848,640</u>	<u>882,577</u>	<u>397,821</u>	<u>8,931,751</u>
Noncurrent assets:									
Restricted - cash and cash equivalents	-	-	75,149	48,754	67,545	24,875	34,495	-	250,818
Due from Districts - Non-current LOBs	-	13,135,000	-	-	-	-	-	-	13,135,000
Capital assets:									
Land, improvements and construction in progress	488,139	-	3,086,457	-	2,621,834	130,092	-	-	6,326,522
Other capital assets, net of depreciation	1,151,993	-	4,332,611	4,999,032	9,431,038	7,078,791	2,073,722	-	29,067,187
Total capital assets	<u>1,640,132</u>	<u>-</u>	<u>7,419,068</u>	<u>4,999,032</u>	<u>12,052,872</u>	<u>7,208,883</u>	<u>2,073,722</u>	<u>-</u>	<u>35,393,709</u>
Total noncurrent assets	<u>1,640,132</u>	<u>13,135,000</u>	<u>7,494,217</u>	<u>5,047,786</u>	<u>12,120,417</u>	<u>7,233,758</u>	<u>2,108,217</u>	<u>-</u>	<u>48,779,527</u>
Total assets	<u>5,717,379</u>	<u>13,440,000</u>	<u>8,447,087</u>	<u>5,862,253</u>	<u>12,773,546</u>	<u>8,082,398</u>	<u>2,990,794</u>	<u>397,821</u>	<u>57,711,278</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Contributions to pension plan in current year	9,017	-	6,859	4,801	3,658	2,286	5,259	5,242	37,122
Deferred charge on refunding	-	-	77,514	62,830	-	55,846	-	-	196,190
Total deferred outflows of resources	<u>9,017</u>	<u>-</u>	<u>84,373</u>	<u>67,631</u>	<u>3,658</u>	<u>58,132</u>	<u>5,259</u>	<u>5,242</u>	<u>233,312</u>
<b>LIABILITIES</b>									
Current liabilities:									
General Fund advance	-	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities	188,275	-	-	-	1,648	-	-	16,534	206,457
Accrued interest	-	-	20,205	14,234	15,450	13,756	-	-	63,645
Due to other funds	-	-	-	-	199,964	-	-	-	199,964
Due to County - Current portion of LOBs	-	-	125,000	105,000	-	75,000	-	-	305,000
Bonds, notes, and leases payable	-	305,000	56,480	10,651	80,827	5,079	2,627	-	460,664
Total current liabilities	<u>188,275</u>	<u>305,000</u>	<u>201,685</u>	<u>129,885</u>	<u>297,889</u>	<u>93,835</u>	<u>2,627</u>	<u>16,534</u>	<u>1,235,730</u>
Noncurrent liabilities:									
Customer deposits	-	-	75,149	48,754	35,738	24,875	34,495	-	219,011
OPEB liability	150,234	-	74,941	65,814	52,564	25,962	83,199	142,737	595,451
Compensated absences	14,015	-	14,184	8,632	10,524	8,396	10,376	10,918	77,045
Net pension liability	9,166	-	6,972	4,880	3,719	2,324	5,346	5,329	37,736
Due to County - Noncurrent portion of LOBs	-	-	5,025,000	4,065,000	-	4,045,000	-	-	13,135,000
Bonds, notes, and leases payable	-	13,135,000	1,217,376	198,069	5,154,000	110,239	-	-	19,814,684
Total noncurrent liabilities	<u>173,415</u>	<u>13,135,000</u>	<u>6,413,622</u>	<u>4,391,149</u>	<u>5,256,545</u>	<u>4,216,796</u>	<u>133,416</u>	<u>158,984</u>	<u>33,878,927</u>
Total liabilities	<u>361,690</u>	<u>13,440,000</u>	<u>6,615,307</u>	<u>4,521,034</u>	<u>5,554,434</u>	<u>4,310,631</u>	<u>136,043</u>	<u>175,518</u>	<u>35,114,657</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>4,817</u>	<u>-</u>	<u>3,664</u>	<u>2,565</u>	<u>1,954</u>	<u>1,221</u>	<u>2,809</u>	<u>2,800</u>	<u>19,830</u>
<b>NET POSITION</b>									
Net investment in capital assets	1,640,132	-	995,212	620,312	6,818,045	2,973,565	2,071,095	-	15,118,361
Restricted for capital projects	-	-	-	-	-	-	-	-	-
Unrestricted	<u>3,719,757</u>	<u>-</u>	<u>917,277</u>	<u>785,973</u>	<u>402,771</u>	<u>855,113</u>	<u>786,106</u>	<u>224,745</u>	<u>7,691,742</u>
Total net position	<u>\$ 5,359,889</u>	<u>\$ -</u>	<u>\$ 1,912,489</u>	<u>\$ 1,406,285</u>	<u>\$ 7,220,816</u>	<u>\$ 3,828,678</u>	<u>\$ 2,857,201</u>	<u>\$ 224,745</u>	<u>\$ 22,810,103</u>

**Columbus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2016**

	MAJOR						NON-MAJOR		Totals
	Solid Waste	Water Fund	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>Revenues:</b>									
<b>Operating Revenues:</b>									
Charges for Services	\$ 5,221,241	\$ -	\$ 660,544	\$ 485,048	\$ 433,910	\$ 690,025	\$ 570,744	\$ -	\$ 8,061,512
Water Taps & Reconnection Fees	-	-	26,167	14,579	20,455	36,621	28,594	-	126,416
Sewer Sales	-	-	-	-	-	16,180	-	-	16,180
Special District Tax	-	-	22,051	23,214	-	-	-	-	45,265
Miscellaneous Revenue	-	-	33,229	11,275	14,775	125	1,597	323	61,324
<b>Total Operating Revenues</b>	<b>5,221,241</b>	<b>-</b>	<b>741,991</b>	<b>534,116</b>	<b>469,140</b>	<b>742,951</b>	<b>600,935</b>	<b>323</b>	<b>8,310,697</b>
<b>Expenditures:</b>									
<b>Operating Expenses:</b>									
Salaries and employee benefits	315,954	-	142,201	100,507	77,073	51,680	109,624	128,313	925,352
Contract Services	3,757,788	-	5,699	4,931	5,908	1,724	3,965	-	3,780,015
Advertising	-	-	-	-	-	-	-	-	-
Supplies	(522)	-	24,284	16,697	12,634	7,869	18,104	-	79,066
Maintenance and repairs/service	28,953	-	23,901	16,731	12,747	7,967	18,324	-	108,623
Gas plant operations	2,538	-	-	-	-	-	-	-	2,538
Utilities	-	-	24,120	16,211	16,893	7,662	17,622	-	82,508
Water purchases	-	-	-	-	-	131,787	7,461	-	139,248
Travel	-	-	-	-	-	48,433	-	-	48,433
Depreciation	51,749	-	370,344	180,749	320,384	215,858	102,634	-	1,241,718
Indirect cost to general fund	41,214	-	24,462	17,123	13,046	8,154	18,754	17,092	139,845
Housing assistance payments	-	-	-	-	-	-	-	1,529,019	1,529,019
Other departmental expenditures	147,275	-	103,115	58,390	16,067	26,034	18,956	19,347	389,184
Contingency	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,344,949</b>	<b>-</b>	<b>718,126</b>	<b>411,339</b>	<b>474,752</b>	<b>507,168</b>	<b>315,444</b>	<b>1,693,771</b>	<b>8,465,549</b>
<b>Operating income (loss)</b>	<b>876,292</b>	<b>-</b>	<b>23,865</b>	<b>122,777</b>	<b>(5,612)</b>	<b>235,783</b>	<b>285,491</b>	<b>(1,693,448)</b>	<b>(154,852)</b>
<b>Nonoperating Revenues (Expenses)</b>									
Interest Earned on Investments	-	-	-	-	-	-	-	-	-
White Goods Sales Recycles	22,678	-	-	-	-	-	-	-	22,678
State Aid	96,038	-	-	-	-	-	-	-	96,038
Operating subsidy - HUD	-	-	-	-	-	-	-	1,739,177	1,739,177
Interest Expense	(538)	-	(174,334)	(122,435)	(151,114)	(257,195)	(499)	-	(706,115)
Miscellaneous Revenue	49,062	-	-	-	-	-	-	2,061	51,123
<b>Total Nonoperating Revenues (Expenses)</b>	<b>167,240</b>	<b>-</b>	<b>(174,334)</b>	<b>(122,435)</b>	<b>(151,114)</b>	<b>(257,195)</b>	<b>(499)</b>	<b>1,741,238</b>	<b>1,202,901</b>
<b>Income (Loss) before contributions and transfers</b>	<b>1,043,532</b>	<b>-</b>	<b>(150,469)</b>	<b>342</b>	<b>(156,726)</b>	<b>(21,412)</b>	<b>284,992</b>	<b>47,790</b>	<b>1,048,049</b>
Transfers in (out)	-	-	(89,837)	(76,230)	-	-	-	-	(166,067)
Reimbursements	-	-	68,489	-	41,161	-	-	-	109,650
Capital contributions	-	-	-	-	417,633	-	-	-	417,633
<b>Change in net position</b>	<b>1,043,532</b>	<b>-</b>	<b>(171,817)</b>	<b>(75,888)</b>	<b>302,068</b>	<b>(21,412)</b>	<b>284,992</b>	<b>47,790</b>	<b>1,409,265</b>
<b>Total net position, beginning</b>	<b>4,591,100</b>	<b>-</b>	<b>1,871,932</b>	<b>1,420,391</b>	<b>7,243,324</b>	<b>3,948,538</b>	<b>2,859,740</b>	<b>176,955</b>	<b>22,111,980</b>
<b>Prior period adjustment</b>	<b>(274,743)</b>	<b>-</b>	<b>212,374</b>	<b>61,782</b>	<b>(324,576)</b>	<b>(98,448)</b>	<b>(287,531)</b>	<b>-</b>	<b>(711,142)</b>
<b>Total net position, ending</b>	<b>\$ 5,359,889</b>	<b>\$ -</b>	<b>\$ 1,912,489</b>	<b>\$ 1,406,285</b>	<b>\$ 7,220,816</b>	<b>\$ 3,828,678</b>	<b>\$ 2,857,201</b>	<b>\$ 224,745</b>	<b>\$ 22,810,103</b>

The notes to the financial statements are an integral part of this statement.



**Columbus County, North Carolina**  
**Enterprise Fund**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2016**

	MAJOR						NON-MAJOR		Totals
	Solid Waste	Water Fund	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	June 30, 2016
Cash flows from operating activities:									
Cash received from customers	\$ 5,373,774	\$ -	\$ 765,334	\$ 659,584	\$ 402,054	\$ 711,593	\$ 683,370	\$ 388	\$ 8,596,097
Cash paid for goods and services	(4,127,785)	-	(207,187)	(131,246)	(78,229)	(240,184)	(104,695)	(1,562,908)	(6,452,234)
Cash paid to employees for services	(289,963)	-	(136,097)	(94,412)	(71,300)	(42,338)	(107,417)	(122,978)	(864,505)
Customer deposits received	-	-	(3,450)	(1,550)	(4,795)	(950)	(3,200)	-	(13,945)
Net cash provided (used) by operating activities	<u>956,026</u>	<u>-</u>	<u>418,600</u>	<u>432,376</u>	<u>247,730</u>	<u>428,121</u>	<u>468,058</u>	<u>(1,685,498)</u>	<u>1,265,413</u>
Cash flows from noncapital financing activities:									
Transfers in (out)	-	-	(89,837)	(76,230)	-	-	-	-	(166,067)
Miscellaneous	-	-	68,489	-	41,161	-	-	2,061	111,711
Due from other funds	-	-	-	-	(150,036)	-	-	-	(150,036)
Operating subsidy - HUD	-	-	-	-	-	-	-	1,739,177	1,739,177
General Fund Advance to cover expenses	-	-	-	-	139,314	(152,308)	-	-	(12,994)
Net cash provided (used) by noncapital financial activities	<u>-</u>	<u>-</u>	<u>(21,348)</u>	<u>(76,230)</u>	<u>30,439</u>	<u>(152,308)</u>	<u>-</u>	<u>1,741,238</u>	<u>1,521,791</u>
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	(170,078)	-	(435,605)	-	(405,746)	-	-	-	(1,011,429)
Miscellaneous revenue	49,062	-	-	-	-	-	-	-	49,062
Principal paid on bond maturities and equipment contracts	(10,383)	-	(165,613)	(110,486)	(64,623)	(74,086)	(11,636)	-	(436,827)
Interest paid on bond maturities and equipment contracts	(538)	(276,444)	(184,531)	(127,961)	(154,095)	(260,963)	(158)	-	(1,004,690)
Proceeds from Refunding	-	-	5,275,000	4,270,000	-	4,190,000	-	-	13,735,000
Refunded Bonds	-	-	(5,515,115)	(4,470,343)	-	(4,285,772)	-	-	(14,271,230)
Premium on Refunded Bonds	-	-	266,558	214,575	-	118,113	-	-	599,246
Developers contributions	-	-	-	-	-	-	-	-	-
Capital contributions	118,716	-	-	-	417,633	-	-	-	536,349
Net cash provided (used) by capital and related financing activities	<u>(13,221)</u>	<u>(276,444)</u>	<u>(759,306)</u>	<u>(224,215)</u>	<u>(206,831)</u>	<u>(312,708)</u>	<u>(11,794)</u>	<u>-</u>	<u>(1,804,519)</u>
Cash flows from investing activities:									
Interest on investments	-	276,444	-	-	-	-	-	-	276,444
Net increase (decrease) in cash and cash equivalents	942,805	-	(362,054)	131,931	71,338	(36,895)	456,264	55,740	1,259,129
Cash and cash equivalents, July 1	1,918,203	-	1,240,425	640,031	588,969	757,846	370,338	341,679	5,857,491
Cash and cash equivalents, June 30	<u>\$ 2,861,008</u>	<u>\$ -</u>	<u>\$ 878,371</u>	<u>\$ 771,962</u>	<u>\$ 660,307</u>	<u>\$ 720,951</u>	<u>\$ 826,602</u>	<u>\$ 397,419</u>	<u>\$ 7,116,620</u>

(continued)

**Columbus County, North Carolina**  
**Enterprise Fund**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2016**

	MAJOR					NON-MAJOR			June 30, 2015
	Solid Waste	Water Fund	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>Reconciliation of operating income to net cash provided by operating activities:</b>									
Operating income (loss)	\$ 876,292	\$ -	\$ 23,865	\$ 122,777	\$ (5,612)	\$ 235,783	\$ 285,491	\$ (1,693,448)	\$ (154,852)
Adjustments to reconcile operating income to net cash provided by operating activities:									
Depreciation	\$ 51,749	\$ -	\$ 370,344	\$ 180,749	\$ 320,384	\$ 215,858	\$ 102,634	\$ -	\$ 1,241,718
Changes in assets and liabilities:									
(Increase) decrease in accounts receivable	152,533	-	23,343	125,468	(67,086)	(31,358)	82,435	65	285,400
(Increase) decrease in deferred outflows of resources for pensions	580	-	553	425	307	169	463	(39)	2,458
(Increase) decrease in net pension asset	10,822	-	9,976	7,568	5,504	3,095	8,257	6,931	52,153
Increase (decrease) in accounts payable and accrued liabilities	(150,539)	-	(1,606)	(1,163)	(934)	(554)	(1,509)	2,550	(153,755)
Increase (decrease) in deposits	-	-	(3,450)	(1,550)	(4,795)	(950)	(3,200)	-	(13,945)
Increase (decrease) in OPEB	25,113	-	9,840	6,888	5,248	3,280	7,544	8,224	66,137
Increase (decrease) in deferred inflows	(21,559)	-	(20,650)	(15,880)	(11,459)	(6,323)	(17,315)	(14,093)	(107,279)
Increase (decrease) in net pension liability	9,166	-	6,972	4,880	3,719	2,324	5,346	5,329	37,736
Increase (decrease) in compensated absences	1,869	-	(587)	2,214	2,454	6,797	(2,088)	(1,017)	9,642
Total adjustments	79,734	-	394,735	309,599	253,342	192,338	182,567	7,950	1,420,265
Net cash provided (used) by operating activities	\$ 956,026	\$ -	\$ 418,600	\$ 432,376	\$ 247,730	\$ 428,121	\$ 468,058	\$ (1,685,498)	\$ 1,265,413

The notes to the financial statements are an integral part of this statement.

**Columbus County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2016**

		Agency Funds
<b>Assets</b>		
Cash and investments	\$	319,973
Due from other governments		17
Total Assets		319,990
<b>Liabilities and Net Position</b>		
Liabilities:		
Accounts payable and accrued liabilities		-
Due to other funds		319,990
Total liabilities		319,990
Net position:		
Held in trust (Fiduciary net assets)	\$	-

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

NOTE I: Summary of Significant Accounting Policies

The accounting policies of Columbus County and its component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. The blended component unit, although it is a legally separate entity, is, in substance, part of the County's operations. The discretely presented component unit presented below is reported in a separate column in the County's combined financial statements in order to emphasize that it is legally separate from the County.

Blended Component Unit

The blended presentation method presents component units as a department or unit of the County, and offers no separate presentation as with the discrete method.

Columbus County Water Districts

Columbus County Water District (the "District") exists to provide and maintain a water system for the county residents within the district. Under State law (G.S. 162A-89), the County's board of commissioners also serve as the governing board for the District. Therefore, the District is reported as enterprise funds in the County's financial statements. The District does not issue separate financial statements. There are five water districts.

Discretely Presented Component Unit

Columbus County Industrial Facility and Pollution Control Financing Authority (The "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board of commissioners, all of whom are appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

Columbus County Tourism Development Authority - The Columbus County Tourism Development Authority is a corporate body which operates the Tourism functions for Columbus County. The County's governing body appoints the Tourism Authority's board members. The County maintains budgetary control over the Tourism authority. The Tourism Authority, which has a June 30 year-end, is represented as if it were a special revenue fund.

Columbus Regional Healthcare System, Inc. (The "Hospital") is a public hospital operated by a not-for-profit corporation, which has leased the land on which the Hospital is located. The County appoints the board of trustees for the Hospital. The County has also borrowed funds for the improvement of the Hospital's facilities. The Hospital, which has a September 30 year-end, is presented as if it were a proprietary fund.

Complete financial statements for the Hospital may be obtained at the administrative offices of Columbus Regional Healthcare System at:

Columbus Regional Healthcare System  
500 Jefferson Street  
Whiteville, N.C. 28472

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

B. Basis of Presentation – Basis of Accounting

*Government-wide Statements* : The statement of net position and the statement of activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements* : The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental fund:

*General Fund* - This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

The County reports the following major enterprise funds:

*Solid Waste Fund* - accounts for the solid waste operations of the County.

*Water District II* - accounts for the operations of Water District II within the County.

*Water District III* - accounts for the operations of Water District III within the County.

*Water District IV* - accounts for the operations of Water District IV within the County.

*Water District V* - accounts for the operations of Water District V within the County.

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

The County reports the following fund types:

*Agency Funds.* Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency Funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Columbus County 4-H Fund which accounts for funds of the County's 4-H Chapters, the Sheriff's Civil Division Fund which accounts for money received and paid out during legal collection proceedings; the Inmates Trust Fund which accounts for inmates personal funds received and disbursed; the Home Loan Trust Fund, which accounts for money collected from insurance to rebuild a home that was owned by the CHAF program; and the Explorer Post 513 fund, which accounts for the money for the Post 113 activities.

Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements* – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Governmental Fund Financial Statements* – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Special Revenue Funds (excluding the Capital Reserve Fund), and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Fund, the Capital Reserve Fund, and the Enterprise Capital Project Funds, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue and the Enterprise Funds, and at the object level for the Capital Project Funds. The balances in the Capital Reserve Fund will be appropriated when transferred to a Capital Projects Fund in accordance with the project ordinance adopted for the Reserve fund. The County Administrator is authorized by the budget ordinance to transfer any appropriations between functional areas within a fund; however, any revisions that alter total expenditures of any fund must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

All deposits of the County, Tourism Authority, and Columbus Regional Healthcare System are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, Tourism Authority, and the Hospital may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, Tourism Authority, and the Hospital may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

State Law [G.S. 159-30(c)] authorizes the County, Tourism Authority, and the Hospital to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County, Tourism Authority, and the Hospital's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Cash Portfolio, an SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Columbus Regional Healthcare System considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The unexpended bond proceeds of the District's Serial Bonds are classified as restricted with the Water District Funds because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

Governmental Activities

General Fund	Tax Revaluation	\$ 158,939
General Fund	Unexpended grant proceeds / restricted for purpose	102,765
Total Governmental Activities		<u>\$ 261,704</u>

Business-Type Activities

Water District I	Customer deposits	\$ 34,495
Water District II	Customer deposits	75,149
Water District III	Customer deposits	48,754
Water District IV	Customer deposits	35,738
Water District IV	Restricted per USDA	31,807
Water District V	Customer deposits	24,875
Total Business-Type Activities		<u>\$ 250,818</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2015. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.



COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

5. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventories and Prepaid Items

The inventories of the County and the Hospital are valued at cost (first in, first out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased.

The inventory of the County's enterprise funds as well as those of the Hospital consists of materials and supplies held for consumption. The cost of the inventory carried in the County's enterprise funds and that of the Hospital is recorded as an expense as it is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are \$5,000 for all classes of assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Columbus County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as fixed assets in the financial statements of the Columbus County Board of Education.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	30
Improvements	20
Furniture and Equipment	15
Vehicles	5
Computer Equipment	3

For the Hospital, depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Useful Life</u>
Land Improvements	10-25 Years
Buildings and Improvements	10-40 Years
Equipment:	
Fixed	10-25 Years
Major Moveable	5-15 Years
Major Office	3-20 Years
Major Furnishings	5-20 Years
Major Food Service and Housekeeping	5-15 Years

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meet this criterion - pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category - prepaid taxes, special assessments receivable, and other pension related deferrals.

9. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

10. Compensated Absences

The vacation policies of the County and the Hospital provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide, proprietary funds, and the Hospital, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County and the Hospital provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the Hospital have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

**Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization of State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Public Safety - portion of fund balance that is restricted by revenue source for fire protection, emergency services, law enforcement, and emergency telephone purposes.

Restricted for Transportation - portion of fund balance that is restricted for Transportation services.

Economic Development - portion of fund balance that is restricted by revenue source for economic development purposes.

Airport Improvements - portion of fund balance that is restricted by revenue source for airport improvement projects.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by majority vote of Columbus County's governing body (highest level of decision making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Tax Revaluation - portion of fund balance that is committed for tax revaluation.

No Till Drill - portion of fund balance that is committed for repairs and replacement of the No Till Drill that is rented out by the County.

ROD Automation Enhancement - portion of fund balance that is committed for automation enhancement.

Health Department - portion of fund balance that is committed for the Health Department.

Debt Service - portion of fund balance that is committed for debt service.

Fall soccer league - portion of fund balance that is committed for Fall Soccer League.

Various - portion of fund balance that is committed for other purposes.

Assigned Fund Balance - portion of fund balance that the Columbus County governing board has budgeted.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Columbus County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

Columbus County has not adopted a minimum fund balance policy for the General Fund.

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

The Rescue Tax Fund, 2013 Single Family Rehab Grant Fund, and 2013 Urgent Repair Program Funds had deficit fund balances of \$293, \$9,594, and \$115 respectively at June 30, 2016. In addition, the Courthouse Construction Project, Courthouse Renovation Capital Project, and the E911 Project Radio Funds had deficit fund balances of \$276,560, \$290,328 and \$179,466, respectively, at June 30, 2016. This is mainly a result of timing differences between expending money for the project and receiving the grant money and the local match from the County. The General Fund covers the deficits.

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the Hospital's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's and the Hospital's agent in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the Hospital, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the Hospital or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the Hospital under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and Hospital rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and the Hospital do not have formal policies regarding custodial credit risk for deposits.

At June 30, 2016 the County's deposits had a carrying amount of \$8,552,804 and a bank balance of \$9,077,823. Of the carrying amount \$3,933 was cash on hand. Of the bank balance, \$956,815 was covered by federal depository insurance; the remaining \$8,121,008 was covered by collateral held under the Pooling Method.

At June 30, 2016, the Tourism Authority's deposits had a carrying amount of \$172,901 and a bank balance of \$178,101. All of the bank balance was covered by federal depository insurance.

At September 30, 2015, the Hospital's deposits had a carrying amount of \$11,332,123 and a bank balance of \$12,220,470. Of the carrying amount, \$5,865 was cash on hand. Of the bank balance, \$ 679,457 was covered by federal depository insurance; the remaining \$11,541,013 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

2. Investments

At June 30, 2016, the County had the following investments and maturities.

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	<u>Over 5 Years</u>
U.S. Government Agencies	FairValue-Level I	\$ 13,452,425	\$ 3,347,002	\$ 6,817,323	\$ 3,288,100
Commercial Paper	FairValue-Level II	497,719	497,719	-	-
NC Capital Management Trust - Cash Portfolio	Amortized Cost	10,994,423	N/A	N/A	N/A
NC Capital Management Trust - Term Portfolio **	FairValue-Level I	5,021,185	5,021,185	-	-
TOTAL		\$ 29,965,752	\$ 8,865,906	\$ 6,817,323	\$ 3,288,100

\*\* Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*Interest Rate Risk*. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

*Credit Risk*. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2016. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

*Custodial Credit Risk*. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no policy on custodial credit risk.

*Concentration of Credit Risk*. The County places no limit on the amount that the County may invest in any one issuer.

COLUMBUS COUNTY, NORTH CAROLINA  
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At September 30, 2015, the Hospital's investments consisted of the following:

Investment Type	Fair Value	Less Than One Year	1 - 5 Years	Over 5 Years
Designated as funded depreciation:				
Cash and short-term investments	\$ 4,434,309	\$ 4,434,309	\$ -	\$ -
U.S. Treasury obligations and agency obligations	27,852,874	18	656,544	27,196,312
Pooled investment funds	13,119,220	13,119,220	-	-
Interest receivable	142,406	142,406	-	-
	<u>\$ 45,548,809</u>	<u>\$ 17,695,953</u>	<u>\$ 656,544</u>	<u>\$ 27,196,312</u>
Restricted by donors or grantors for specific purposes:				
Cash and short-term investments	\$ 517,254	\$ 517,254	\$ -	\$ -
Escrow held by agent for workers compensation:				
Cash and short-term investments	\$ 12,626	\$ 12,626	\$ -	\$ -
Total:	<u>\$ 46,078,689</u>	<u>\$ 18,225,833</u>	<u>\$ 656,544</u>	<u>\$ 27,196,312</u>

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forest land may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2013	\$ 1,363,020	\$ 344,162	\$ 1,707,182
2014	1,362,726	221,442	1,584,168
2015	1,363,020	98,818	1,461,838
Total	<u>\$ 4,088,766</u>	<u>\$ 664,422</u>	<u>\$ 4,753,188</u>

COLUMBUS COUNTY, NORTH CAROLINA  
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4. Receivables

Receivables at the government-wide level at June 30, 2016, were as follows:

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Due From Other Governments	Total
<b>Governmental Activities:</b>					
General	\$ 829,636	\$ 3,422,887	\$ -	\$ 3,050,534	\$ 7,303,057
Other Governmental	170,034	350,187	-	1,246	521,467
<b>Total Receivables</b>	<b>\$ 999,670</b>	<b>\$ 3,773,074</b>	<b>\$ -</b>	<b>\$ 3,051,780</b>	<b>\$ 7,824,524</b>
Allowance for Doubtful Accts.	-	(1,040,700)	-	-	(1,040,700)
<b>Total Gov't Activities</b>	<b>\$ 999,670</b>	<b>\$ 2,732,374</b>	<b>\$ -</b>	<b>\$ 3,051,780</b>	<b>\$ 6,783,824</b>
<b>Business-type Activities:</b>					
Solid Waste	\$ 146,401	\$ 2,680,123	\$ -	\$ 3,931	\$ 2,830,455
Water District I	145,923	-	-	8	145,931
Water District II	190,824	41,214	-	1,201	233,239
Water District III	103,542	21,464	-	(500)	124,506
Water District IV	187,798	-	-	1,210	189,008
Water District V	198,026	-	-	-	198,026
Section 8 Housing	-	-	-	402	402
<b>Total Receivables</b>	<b>\$ 972,514</b>	<b>\$ 2,742,801</b>	<b>\$ -</b>	<b>\$ 6,252</b>	<b>\$ 3,721,567</b>
Allowance for Doubtful Accts.	(316,163)	(1,644,455)	-	-	(1,960,618)
<b>Total Business-type</b>	<b>\$ 656,351</b>	<b>\$ 1,098,346</b>	<b>\$ -</b>	<b>\$ 6,252</b>	<b>\$ 1,760,949</b>

The due from other governments that is owed to the County consists of the following:

<b>Governmental Activities:</b>	
Local Option Sales Tax	\$ 1,956,903
Sales and Use Tax	242,057
Video Programming Refund	15,616
Various Grants	837,204
<b>Total</b>	<b>\$ 3,051,780</b>
<b>Business-Type Activities:</b>	
Sales and Use Tax	\$ 6,252
<b>Total</b>	<b>\$ 6,252</b>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$10,284,152.

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5. Capital Assets

Capital asset activity for the year ended June 30, 2016, was as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 1,108,139	\$ 153,182	\$ -	\$ 1,261,321
Construction in Progress	14,003,153	1,237,382	-	15,240,535
Total capital assets not being depreciated	<u>15,111,292</u>	<u>1,390,564</u>	<u>-</u>	<u>16,501,856</u>
Other capital assets:				
Buildings & Improvements	27,238,188	5,764	-	27,243,952
Vehicles	5,158,627	446,684	-	5,605,311
Other	3,433,093	51,164	-	3,484,257
Total other capital assets at historical cost	<u>35,829,908</u>	<u>503,612</u>	<u>-</u>	<u>36,333,520</u>
Less accumulated depreciation for:				
Buildings & Improvements	10,834,829	1,085,402	-	11,920,231
Vehicles	4,285,512	442,512	-	4,728,024
Other	3,399,273	54,976	-	3,454,249
Total other capital assets at historical cost	<u>18,519,614</u>	<u>1,582,890</u>	<u>-</u>	<u>20,102,504</u>
Other capital assets, net	<u>17,310,294</u>	<u>(1,079,278)</u>	<u>-</u>	<u>16,231,016</u>
Governmental activities capital assets, net	<u>\$ 32,421,586</u>	<u>\$ 311,286</u>	<u>\$ -</u>	<u>\$ 32,732,872</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities	
General government	\$ 336,138
Public Safety	939,156
Human Services	190,107
Economic and Physical Development	92,850
Cultural and Recreational	24,639
	<u>\$ 1,582,890</u>



COLUMBUS COUNTY, NORTH CAROLINA  
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Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Solid Waste Fund</b>				
Capital assets not being depreciated:				
Land	\$ 478,113	\$ 10,026	\$ -	\$ 488,139
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>478,113</u>	<u>10,026</u>	<u>-</u>	<u>488,139</u>
Other capital assets:				
Landfill Gas Collection System	1,001,309	-	-	1,001,309
Buildings	183,919	-	-	183,919
Automobiles	283,516	160,052	-	443,568
Tools & Machinery	11,500	-	-	11,500
Heavy Equipment	94,289	-	-	94,289
Other	102,254	-	-	102,254
Total other capital assets	<u>1,676,787</u>	<u>160,052</u>	<u>-</u>	<u>1,836,839</u>
Less accumulated depreciation for:				
Landfill Gas Collection System	25,085	25,084	-	50,169
Buildings	171,305	8,289	-	179,594
Automobiles	246,358	15,886	-	262,244
Tools & Machinery	11,500	-	-	11,500
Heavy Equipment	76,595	2,490	-	79,085
Other	102,254	-	-	102,254
Total accumulated depreciation	<u>633,097</u>	<u>51,749</u>	<u>-</u>	<u>684,846</u>
Total Solid Waste capital assets, net	<u>\$ 1,521,803</u>	<u>\$ 118,329</u>	<u>\$ -</u>	<u>\$ 1,640,132</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District I</b>				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other capital assets:				
Distribution System & Other	3,865,810	-	-	3,865,810
Automobiles	59,460	-	-	59,460
Total other capital assets	<u>3,925,270</u>	<u>-</u>	<u>-</u>	<u>3,925,270</u>
Less accumulated depreciation for:				
Distribution System	1,703,266	96,961	-	1,800,227
Automobiles	45,648	5,673	-	51,321
Total accumulated depreciation	<u>1,748,914</u>	<u>102,634</u>	<u>-</u>	<u>1,851,548</u>
Total Water District capital assets, net	<u>\$ 2,176,356</u>	<u>\$ (102,634)</u>	<u>\$ -</u>	<u>\$ 2,073,722</u>

COLUMBUS COUNTY, NORTH CAROLINA  
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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District II</b>				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in Progress	2,650,852	435,605	-	3,086,457
Total capital assets not being depreciated	2,650,852	435,605	-	3,086,457
Other capital assets				
Office Equipment	13,239	-	-	13,239
Distribution System	9,051,275	-	-	9,051,275
Heavy Equipment	27,459	-	-	27,459
Automobiles	47,417	-	-	47,417
Other	88,429	-	-	88,429
Total other capital assets	9,227,819	-	-	9,227,819
Less accumulated depreciation for:				
Office Equipment	13,239	-	-	13,239
Distribution System	4,372,483	362,804	-	4,735,287
Heavy Equipment	41,273	-	-	41,273
Automobiles	24,951	6,993	-	31,944
Other	72,918	547	-	73,465
Total accumulated depreciation	4,524,864	370,344	-	4,895,208
Total Water District II Capital Assets, net	\$ 7,353,807	\$ 65,261	\$ -	\$ 7,419,068

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District III</b>				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Other capital assets:				
Office Equipment	-	-	-	-
Distribution System	6,998,926	-	-	6,998,926
Heavy Equipment	3,088	-	-	3,088
Automobiles	35,634	-	-	35,634
Other	25,023	-	-	25,023
Total other capital assets	7,062,671	-	-	7,062,671
Less accumulated depreciation for:				
Office Equipment	-	-	-	-
Distribution System	1,854,930	174,874	-	2,029,804
Heavy Equipment	1,037	-	-	1,037
Automobiles	18,049	5,479	-	23,528
Other	8,874	396	-	9,270
Total accumulated depreciation	1,882,890	180,749	-	2,063,639
Total Water District III capital assets, net	\$ 5,179,781	\$ (180,749)	\$ -	\$ 4,999,032

COLUMBUS COUNTY, NORTH CAROLINA  
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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District IV</b>				
Capital assets not being depreciated:				
Construction In Progress	\$ 2,090,788	\$ 405,746	\$ -	\$ 2,496,534
Land	125,300	-	-	125,300
Total capital assets not being depreciated	<u>2,216,088</u>	<u>405,746</u>	<u>-</u>	<u>2,621,834</u>
Other capital assets:				
Distribution System & Other	11,137,411	-	-	11,137,411
Automobiles	43,385	-	-	43,385
Heavy Equipment	50,671	-	-	50,671
Total other capital assets	<u>11,231,467</u>	<u>-</u>	<u>-</u>	<u>11,231,467</u>
Less accumulated depreciation for:				
Distribution System & Other	1,397,138	308,442	-	1,705,580
Automobiles	59,637	11,942	-	71,579
Heavy Equipment	23,270	-	-	23,270
Total accumulated depreciation	<u>1,480,045</u>	<u>320,384</u>	<u>-</u>	<u>1,800,429</u>
Total Water District IV capital assets, net	<u>\$ 11,967,510</u>	<u>\$ 85,362</u>	<u>\$ -</u>	<u>\$ 12,052,872</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Water District V</b>				
Capital assets not being depreciated:				
Construction in Progress	\$ 130,092	\$ -	\$ -	\$ 130,092
Total capital assets not being depreciated	<u>130,092</u>	<u>-</u>	<u>-</u>	<u>130,092</u>
Other capital assets:				
Distribution System & Other	8,522,629	-	-	8,522,629
Automobiles	18,588	-	-	18,588
Total other capital assets	<u>8,541,217</u>	<u>-</u>	<u>-</u>	<u>8,541,217</u>
Less accumulated depreciation for:				
Distribution System & Other	1,238,147	213,530	-	1,451,677
Automobiles	8,421	2,328	-	10,749
Total accumulated depreciation	<u>1,246,568</u>	<u>215,858</u>	<u>-</u>	<u>1,462,426</u>
Total Water District V capital assets, net	<u>\$ 7,424,741</u>	<u>\$ (215,858)</u>	<u>\$ -</u>	<u>\$ 7,208,883</u>
	Beginning Balances	Increases	Decreases	Ending Balances
<b>Section 8 Housing</b>				
Other capital assets:				
Structure and Equipment	\$ 23,572	\$ -	\$ -	\$ 23,572
Total other capital assets	<u>23,572</u>	<u>-</u>	<u>-</u>	<u>23,572</u>
Less accumulated depreciation for:				
Structure and Equipment	23,572	-	-	23,572
Total accumulated depreciation	<u>23,572</u>	<u>-</u>	<u>-</u>	<u>23,572</u>
Total Section 8 Housing Capital Assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type activities capital assets, net	<u>\$ 35,623,998</u>			<u>\$ 35,393,709</u>

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Construction Commitments

The government has active construction projects as of June 30, 2016. The projects include the airport projects and water improvement projects. At June 30, 2016, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>		<u>Remaining commitment</u>	
Courthouse Annex Capital Project	\$	9,551,696	\$	610,254
Airport Improvements		3,781,659		80,992
Water District I and II Interconnect		2,750,658		123,967
Water District IV Project		2,496,534		35,862
Total	\$	16,084,013	\$	815,213

Discretely presented component unit

Activity for Columbus Regional Healthcare System for the year ended September 30, 2015 was as follows:

	<u>Beginning</u>		<u>Ending</u>	
	<u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances</u>
Land	\$ 1,145,423	\$ -	\$ -	\$ 1,145,423
Land improvements	316,953	-	-	316,953
Buildings and fixed equipment	41,874,448	637,849	-	42,512,297
Equipment	53,041,795	4,525,108	(1,059,598)	56,507,305
Construction in progress	2,124,541	383,417	-	2,507,958
Totals at historical cost	\$ 98,503,160	\$ 5,546,374	\$ (1,059,598)	\$ 102,989,936
Less accumulated depreciation for:				
Land improvements	\$ (223,352)	\$ (11,305)	\$ -	\$ (234,657)
Buildings and fixed equipment	(19,350,918)	(1,645,151)	11,224	(20,984,845)
Equipment	(33,010,030)	(4,597,013)	741,711	(36,865,332)
Total accumulated depreciation	\$ (52,584,300)	\$ (6,253,469)	\$ 752,935	\$ (58,084,834)
Capital assets, net	\$ 151,087,460	\$ 11,799,843	\$ (306,663)	\$ 161,074,770

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2016, were as follows :

	<u>Vendors</u>	<u>Salaries and</u>	<u>Total</u>
		<u>Benefits</u>	
Governmental Activities:			
General	\$ 2,058,792	\$ 287,675	\$ 2,346,467
Other Governmental	718,728	-	718,728
Total Governmental Activities	\$ 2,777,520	\$ 287,675	\$ 3,065,195
Business-Type Activities			
Solid Waste	\$ 188,275	\$ -	\$ 188,275
Water District I	-	-	-
Water District II	-	-	-
Water District III	-	-	-
Water District IV	1,648	-	1,648
Water District V	-	-	-
Section 8 Housing	16,534	-	16,534
Total Business-Type Activities	\$ 206,457	\$ -	\$ 206,457

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2016, was 7.15% of compensation for law enforcement officers and 6.81% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,189,668 for the year ended June 30, 2016.

*Refunds of Contributions* – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to***

At June 30, 2016, the County reported a liability of \$1,253,123 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the County's proportion was 0.2792%, which was a decrease of 0.0096% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$694,234. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 294,555
Net difference between projected and actual earnings on pension plan	-	356,760
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	47,972	7,237
	<u>1,184,776</u>	<u>-</u>
Total	<u>\$ 1,232,748</u>	<u>\$ 658,552</u>

\$1,184,776 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2017	\$ (401,538)
2018	(401,538)
2019	(401,248)
2020	593,744
2021	-
Thereafter	-
Total	<u>\$ (610,580)</u>

At September 30, 2015, the Hospital reported a net pension asset of approximately \$2,226,000. The net pension asset was measured as of October 1, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2014. The most recent annual actuarial valuation reports are as of October 1, 2014. The net pension liability of the defined benefit pension plan was therefore determined based on the October 1, 2014 actuarial valuations, using membership data as of October 1, 2014, projected forward to the end of the fiscal year, and financial information of the pension funds as of October 1, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by the System's consulting actuary, Transamerica Retirement Solutions.

COLUMBUS COUNTY, NORTH CAROLINA  
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 For the Year Ended June 30, 2016

For the year ended September 30, 2015, the System recognized pension income of approximately \$67,000. At September 30, 2015, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in assumptions	\$ 674,171	\$ -
Contribution after measurement date	228,000	-
Difference between expected and actual experience	242,011	-
Difference between expected and actual	-	361,134
Total	<u>\$ 1,144,182</u>	<u>\$ 361,134</u>

\$228,000 reported as deferred outflows of resources related to pensions resulting from the System contributions subsequent to the measurement date will be recognized as a reduction/increase of the net pension liability/asset in the year ending September 30, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2017	\$ 123,779
2018	123,779
2019	123,779
2020	123,777
2021	59,934
Thereafter	-
Total	<u>\$ 555,048</u>

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment Rate of Return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

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The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29%	2.2%
Global Equity	42%	5.8%
Real Estate	8%	5.2%
Alternatives	8%	9.8%
Credit	7%	6.8%
Inflation Protection	6%	3.4%
	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	8,738,201	1,253,123	(5,052,890)
Hospital's proportionate share of the net pension liability (asset)	(2,226,448)	(2,226,450)	(6,280,330)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.



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b. Law Enforcement Officers' Special Separation Allowance

1 *Plan Description*

Columbus County administers a public employee retirement system (*the Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>87</u>
Total	<u><u>93</u></u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies:

Basis of Accounting - The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments - No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions by employees.

The annual required contributions for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions include (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014 was 16 years.

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Annual Pension Cost and Net Pension Obligation – The County’s annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 135,082
Interest on net pension obligation	28,416
Adjustment to annual required contribution	<u>(49,942)</u>
Annual pension cost	113,556
Contributions made	<u>70,292</u>
Increase (decrease) in net pension obligation	43,264
Net pension obligation beginning of year	<u>568,324</u>
Net pension obligation end of year	<u><u>\$ 611,588</u></u>

3 Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2014	\$ 84,805	72.52%	\$ 534,311
6/30/2015	103,822	67.24%	568,324
6/30/2016	113,556	61.90%	611,588

Funded Status and Funding Progress

As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$1,374,918, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,374,918. The covered payroll (annual payroll of active employees covered by the plan) was \$3,081,651, and the ratio of the UAAL to the covered payroll was 44.62%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description - The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of the State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2016 were \$167,793 which consisted of \$133,133 from the County and \$34,660 from the law enforcement officers.

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d. Registers of Deeds' Supplemental Pension Fund

*Plan Description.* Columbus County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERs) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERs Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,401 for the year ended June 30, 2016.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to***

At June 30, 2016, the County reported an asset of \$104,661 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2015, the County's proportion was 0.4516%, which was a decrease of 0.007% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension revenue of \$10,440. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 513	\$ 1,733
Net difference between projected and actual earnings on pension plan	5,191	-
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	1,084	10,404
	4,893	-
Total	<u>\$ 11,681</u>	<u>\$ 12,137</u>

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\$4,893 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	
2017	\$ (7,275)
2018	(680)
2019	1,204
2020	1,402
2021	-
Thereafter	-
Total	<u>\$ (5,349)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2015 is 2.2%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

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*Discount rate.* The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
County's proportionate share of the net pension liability (asset)	(94,427)	(104,661)	(113,468)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

e. Other Postemployment Benefits

*Plan Description .* According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan (HCB Plan). This plan provides postemployment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty consecutive years of service or who through disability retirement has five years of creditable service with the County. The County pays the full cost of coverage for these benefits until age 65, at which time the County offers a Medicare Supplement. Also, retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees receiving benefits	94	18
Terminated plan members entitled to but not yet	-	-
Active Plan members	412	77
Total	<u>506</u>	<u>95</u>

*Funding Policy.* The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the Board of Commissioners. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 13.64% of annual covered payroll. For the current year, the County contributed \$489,691 or 3.09% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County’s required contributions, under a Board resolution, for employees not engaged in law enforcement and for law enforcement officers represented 11.63% and 2.18% of covered payroll, respectively. There were no contributions made by employees. The County’s obligation to contribute to HCB Plan is established and may be amended by the Board of Commissioners.

*Summary of Significant Accounting Policies.* Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

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*Annual OPEB Cost and Net OPEB Obligation.* The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County’s annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 2,163,545
Interest on net OPEB obligation	610,867
Adjustment to annual required contribution	<u>(583,567)</u>
Annual OPEB cost (expense)	\$ 2,190,845
Contributions made	<u>(489,691)</u>
Increase (decrease) in net OPEB obligation	\$ 1,701,154
Net OPEB obligation, beginning of year	<u>15,271,666</u>
Net OPEB obligation, end of year	<u><u>\$ 16,972,820</u></u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 2,196,962	21.1%	\$ 13,527,052
2015	\$ 2,196,962	20.6%	\$ 15,271,666
2016	\$ 2,190,845	30.5%	\$ 16,793,311

*Funded Status and Funding Progress.* As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial liability (UAAL) was \$26,297,297. The covered payroll (annual payroll of active employees covered by the plan) was \$15,861,193, and the ratio of UAAL to the covered payroll was 165.8 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

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In the December 31, 2015, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.00 percent inflation assumption. The medical cost trend rate varied between 7.75% and 5.00%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected unit credit on a level percent of pay, open basis. The remaining amortization period at December 31, 2015, was 30 years.

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are established for employees not engaged in laws enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

g. Columbus Regional Healthcare System Pension Plan

The Pension Plan of the Columbus Regional Healthcare System, Inc. is a noncontributory defined benefit plan that covers substantially all employees. The contributions of the System are made in amounts sufficient to fund the plan's current service cost.

Annual Pension Cost and Net Pension Obligation

The System's annual pension cost and net pension obligation to the Plan for the years ended September 30, were as follows:

	<u>2014</u>	<u>2013</u>
Prepaid pension cost (accrued pension liability), beginning of year	\$ 858,214	\$ 500,971
Annual pension cost	-	(657,757)
Actual contributions	176,000	1,015,000
Prepaid pension cost, end of year	<u>\$ 1,034,214</u>	<u>\$ 858,214</u>

Assumptions used in the accounting for net periodic pension cost were as follows at September 30:

	<u>2014</u>	<u>2013</u>
Discount rate	7.50%	7.50%
Rates of increase in compensation level	0.00%	4.00%
Expected long-term rate of return on plan assets	7.50%	7.50%
Asset valuation method	Market	Market

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The following table sets forth the Plan's funded status and amounts recognized in the Hospital's financial statements at September 30:

	2014	2013
1) Projected benefit obligation	\$ (16,512,716)	\$ (15,340,294)
2) Plan assets at fair value	17,833,574	15,789,011
3) Funded status = (1) + (2)	1,320,858	448,717
4) Unrecognized net transition obligation (asset)	-	-
5) Unrecognized prior service cost	-	-
6) Unrecognized net (gain) or loss	(286,644)	409,497
7) (Accrued)/prepaid pension expense = (3) + (4) + (5) + (6)	<u>\$ 1,034,214</u>	<u>\$ 858,214</u>

Please see the separately issued financial report of Columbus Regional Healthcare Center for a complete description of the Hospital pension plan.

3. Closure and Post closure Care Costs - Columbus County Landfill

State and Federal laws and regulations require the County to place a final cover on its Columbus County Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County paid \$0 as landfill closure and post closure care liability during the year ended June 30, 2016; representing the balance outstanding on the contract the County had entered into with a private contractor to close and monitor the landfill. The County did close the Columbus County Landfill at the end of 1997. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and post closure care requirements.

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ -	\$ 294,555
Register of Deeds	513	1,733
Pensions - difference between projected and actual investment		
LGERS	-	356,760
Register of Deeds	5,191	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	47,972	7,237
Register of Deeds	1,084	10,404
Contributions to pension plan in 2015-2016 fiscal year		
LGERS	1,184,776	-
Register of Deeds	4,893	-
Deferred Charges on Refunding	196,190	
Prepaid taxes (General)	-	11,137
Taxes receivable, net (General)	-	1,977,565
Taxes receivable, net (Special Revenue)	-	350,187
	<u>\$ 1,440,619</u>	<u>\$ 3,009,578</u>



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5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in three self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$48.3 million for any one occurrence, general liability coverage of \$2 million per occurrence, and workers compensation coverage. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The County also has flood insurance through the pool with a \$25,000 limit per occurrence.

In accordance with G.S. 159-29, the County's employees that access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance director is bonded for \$50,000, the Sheriff is bonded for \$50,000, and the tax collector, deputy tax collector, and public housing director are individually bonded for \$25,000 each. The Register of Deeds is also individually bonded for \$10,000. The remaining employees that have access to funds are bonded under a blanket bond of \$250,000.

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Columbus Regional Healthcare System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical malpractice. The Hospital carries commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

6. Contingent Liabilities

At June 30, 2016, the County was a defendant to various lawsuits. In the opinion of management and the County management and the County's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Installment Purchases

Serviced by the General Fund:

\$2,500,000 Note payable to PNC Bank, N.A. for the completion of the Columbus County Jail; due in annual installments of \$192,308 plus interest at 3.93 %; a deed of trust is listed as collateral.	\$ 715,653
\$9,000,000 Note payable to Suntrust Bank for the construction of the Columbus County Courthouse Annex; due in semi-annual installments of \$300,000 plus interest at 1.98 % through November 2027; a deed of trust is listed as collateral.	6,900,000
\$3,232,538 Note payable to Branch Banking & Trust for school construction -- Qualified School Construction Bond (QSCB); due in semi-annual installments of \$104,417 through January, 2028; interest at 3.77%.	2,506,030
\$9,600,000 Note payable to PNC Bank, N.A. for the construction of the Columbus County Jail and classroom facilities at Williams Township School; due in annual installments of \$978,880 through May, 2020; interest at 3.53%; a deed of trust is listed as collateral.	2,560,000

Total serviced by the General Fund

\$ 12,681,683

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

Year Ending June 30	Governmental Activities	
	Principal	Interest
2017	\$ 1,641,144	\$ 346,758
2018	1,641,144	296,855
2019	1,641,144	246,952
2020	1,587,566	197,049
2021	808,836	147,146
2022-2026	4,044,179	439,436
2027-2031	1,317,670	37,503
Total	<u>\$ 12,681,683</u>	<u>\$ 1,711,699</u>

Serviced by the Water Districts and Solid Waste Fund:

\$33,700 Note payable Serviced by the Water Districts to BB&T Governmental Finance for the purchase of 2 Ford F150 trucks; due in annual installments of \$11,611 through September, 2016; interest at 1.67%; vehicles are listed as collateral.	\$ 11,420
Total serviced by the Water Districts and Solid Waste Fund	<u>\$ 11,420</u>

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2017	\$ 11,420	\$ 191
Total	<u>\$ 11,420</u>	<u>\$ 191</u>

b. General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. The County's Water Districts issue general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Water Districts' funds, are collateralized by the full faith, credit, and taxing power of the District. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2016 are comprised of the following individual issues:

Serviced by Water District Funds:

\$5,275,000 - Columbus County Water & Sewer District II Refunding, Series 2015 bonds, due in annual payments ranging from \$125,000 to \$260,000 plus interest ranging from 2 to 5% through June 2041.	\$ 5,150,000
\$4,270,000 - Columbus County Water & Sewer District III Refunding, Series 2015 bonds, due in annual payments ranging from \$100,000 to \$215,000 plus interest ranging from 2 to 5% through June 2041.	4,170,000
\$4,190,000 - Columbus County Water & Sewer District V Refunding, Series 2015 bonds, due in annual payments ranging from \$70,000 to \$210,000 plus interest ranging from 2 to 5% through June 2045.	4,120,000
\$4,113,000 - Columbus County Water & Sewer District IV Series 2010 bonds to U.S. Department of Rural Development, due in annual payments ranging from \$52,000 to \$191,000 plus interest at 3.75%.	3,896,000

Total Serviced by the Water Districts	<u>\$ 17,336,000</u>
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Total General Obligation Bonds	<u>\$ 17,336,000</u>
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COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

Year Ending June 30	Business-type Activities	
	General Obligation Bonds	
	Principal	Interest
2017	\$ 364,000	\$ 693,087
2018	386,000	681,725
2019	393,000	666,437
2020	411,000	650,875
2021	428,000	634,600
2022-2026	2,446,000	2,865,475
2027-2031	3,052,000	2,252,025
2032-2036	3,655,000	1,566,825
2037-2041	3,831,000	877,350
2042-2046	1,636,000	308,100
2047-2051	734,000	69,225
Total	<u>\$ 17,336,000</u>	<u>\$ 11,265,724</u>

c. Revolving Loan

Serviced by the Enterprise Funds

\$375,227 - Columbus County Water & Sewer District II revolving loan to NC Department of Energy and Natural Resources, due in annual payments of \$26,902, interest at 0.00%.

Total Federal Revolving Loan \$ 321,623

Annual debt service requirements to maturity for the County's revolving loans are as follows:

Year Ending June 30	Business-type Activities	
	Revolving Loans	
	Principal	Interest
2017	\$ 26,802	\$ -
2018	26,802	-
2019	26,802	-
2020	26,802	-
2021	26,802	-
2022-2026	134,010	-
2027-2031	53,603	-
Total	<u>\$ 321,623</u>	<u>\$ -</u>

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

d. Revenue Bonds

In January 2002, the County issued \$845,000 of Revenue Bonds to finance capital improvements for Water District II. At 4.75% interest, the interest on the bonds is payable annually on June 1. The revenue bonds mature through June 1, 2041. The principal and interest on the bonds are payable from the net revenues of Water District II. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

The County has been in compliance with covenants as to rates, fees, rentals and charges in Section 5.01 of the Bond Order, authorizing the issuance of the Water Revenue Bonds since its adoption in 2002. Section 5.01(b) of the Bond Order requires the debt service coverage ratio to be no less than 110% of the revenue bond debt service and no less than 100% of the total district debt service obligations. The debt service coverage ratio calculation for the year ended June 30, 2016, is as follows:

Operating Revenues	\$	719,940	
Operating Expenses*		337,942	
Operating income		<u>381,998</u>	
Nonoperating revenues (expenses)**		<u>(118,653)</u>	
Income available for debt service		263,345	
Debt service, principal and interest paid (Revenue Bond only)	\$	49,130	
All debt service (excluding interest included in nonoperating expenditures above)			\$ 199,243
Debt service coverage ratio		536.02%	132.17%

\*Per rate covenants, this does not include depreciation expense of \$370,344 and OPEB expense of \$9,840.

\*\*Does not include revenue bond interest paid of \$33,630.

On October 27, 2015, the County issued \$1,337,000 of Revenue Bonds to finance capital improvements for Water District IV. At 2.625% interest, the interest on the bonds is payable annually on June 1. The revenue bonds mature through June 1, 2055. The principal and interest on the bonds are payable from the net revenues of Water District IV. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

Section 5.01(b) of the Bond Order requires the debt service coverage ratio to be no less than 110% of the revenue bond debt service and no less than 100% of the total district debt service obligations. The debt service coverage ratio calculation for the year ended June 30, 2016, is as follows:

Operating Revenues	\$	469,140	
Operating Expenses*		149,120	
Operating income		<u>320,020</u>	
Nonoperating revenues (expenses)**		<u>(144,981)</u>	
Income available for debt service		175,039	
Debt service, principal and interest paid (Revenue Bond only)	\$	6,133	
All debt service (excluding interest included in nonoperating expenditures above)			\$ 211,371
Debt service coverage ratio		2854.05%	82.81%

\*Per rate covenants, this does not include depreciation expense of \$320,384 and OPEB expense of \$5,248

\*\*Does not include revenue bond interest paid of \$6,133

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

Year Ending June 30	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2017	\$ 36,000	\$ 67,990
2018	38,000	66,705
2019	38,500	65,346
2020	40,500	63,964
2021	41,500	62,508
2022-2026	232,000	288,664
2027-2031	276,500	243,001
2032-2036	328,500	187,688
2037-2041	358,000	123,851
2042-2046	201,000	73,763
2047-2051	230,000	45,806
2052-2056	209,000	13,939
Total	\$ 2,029,500	\$ 1,303,225

e. Limited Obligation Bonds

On September 23, 2015, the County Water Districts issued individual refunding bonds in the amount of \$13,735,000 for each of the USDA Bonds being refinanced. The County then issued Limited Obligation Bonds ("LOBS") to purchase these bonds; the County (and bondholders) have a security interest in the Water District's refunding bonds. When debt service is due, each water district will remit the debt service payments for their respective bonds to the County, who will then remit it to the bondholders. If a district does not pay, the County has the bonds (and the District's ad valorem taxing power for the general obligation bonds) as collateral. The Limited Obligation Bonds are appropriation-backed and require the Board to budget for the debt service annually. The payments will consist of an annual principal payment and bi-annual interest payments with a 3.68% average interest rate over the life of the term. As of June 30, 2016, the balance of the bonds was \$13,440,000. The reader should note that this debt issuance is entirely offset by the Water District's Refunding 2015 Bonds as detailed below under the General Obligation Indebtedness section.

The Limited Obligation bonds were not accounted for in the County's books of record, but the funds were set up to properly reflect the Limited Obligation Bonds. Transactions are reflected in the Water Fund.

The minimum payments for the Limited Obligation Bonds as of June 30, 2016 in the Business-Type Activities are as follows:

Year Ending June 30	Business-type Activities	
	Limited Obligation Bonds	
	Principal	Interest
2017	\$ 305,000	\$ 546,988
2018	325,000	537,838
2019	330,000	524,838
2020	345,000	511,638
2021	360,000	497,838
2022-2026	2,065,000	2,221,938
2027-2031	2,595,000	1,685,438
2032-2036	3,105,000	1,092,638
2037-2041	3,170,000	514,312
2042-2046	840,000	78,750
Total	\$ 13,440,000	\$ 8,212,216

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

f. Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Installment Purchase	15,032,762	-	2,351,079	12,681,683	1,641,144
Compensated Absences	1,462,645	-	105,021	1,357,624	-
Other postemployment benefits	14,742,352	1,635,017	-	16,377,369	-
Unfunded Pension Obligation	568,324	43,264	-	611,588	-
Net Pension Liability	-	1,215,388	-	1,215,388	-
<b>Total</b>	<b>\$ 31,806,083</b>	<b>\$ 2,893,669</b>	<b>\$ 2,456,100</b>	<b>\$ 32,243,652</b>	<b>\$ 1,641,144</b>
<b>Business-type Activities:</b>					
General Obligation Debt	\$ 18,020,500	\$ 13,735,000	\$ 14,419,500	\$ 17,336,000	\$ 364,000
Unamortized Premium	-	599,247	22,442	576,805	22,442
Net General Obligation Debt	18,020,500	14,334,247	14,441,942	17,912,805	386,442
Limited Obligation Bonds	-	13,735,000	295,000	13,440,000	305,000
Revenue bonds	708,000	1,337,000	15,500	2,029,500	36,000
Revolving Loan	348,425	-	26,802	321,623	26,802
Installment Purchases	69,445	-	58,025	11,420	11,420
Bond Anticipation Notes	1,337,000	-	1,337,000	-	-
Other postemployment benefits	529,314	66,137	-	595,451	-
Compensated Absences	67,403	9,643	-	77,046	-
Net Pension Liability	-	37,735	-	37,735	-
<b>Total</b>	<b>\$ 21,080,087</b>	<b>\$ 29,519,762</b>	<b>\$ 16,174,269</b>	<b>\$ 34,425,580</b>	<b>\$ 765,664</b>

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the end of the fiscal year.

Debt Related to Capital Activities - Of the total Governmental Activities debt listed, \$9,535,653 relates to assets the County holds title.

The following is a summary of changes in the Columbus Regional Healthcare System's long-term obligations for the fiscal year ended September 30, 2015:

Long-term Debt	\$ 24,660,000	\$ -	\$ 990,000	\$ 23,670,000	\$ 1,035,000
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At June 30, 2016, Columbus County had a legal debt margin of approximately \$277,859,016.

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

C. Interfund Balances and Activity

Interfund receivables/payables at June 30, 2016, consist of the following:

Payable from the General fund to the Transportation fund to reclass beginning fund balance to the proper fund. Transportation was separated from the General fund in the 2013-14 into a separate Special Revenue fund.	\$ 33,902
Payable from the Water District IV project fund to the General Fund for project expenditures that were covered by the General Fund prior to the receipt of grant funds.	199,964
Total Interfund balances	<u><u>\$ 233,866</u></u>

Transfers to/from other funds at June 30, 2016, consist of the following:

Transfer from General fund to Revaluation fund to provide additional resources.	\$ 20,000
Transfer from the General fund to the Airport Project Fund to provide County match for projects.	46,667
Transfer from the General Fund to the School Capital Outlay fund to provide resources for capital project distributions to the schools.	1,666,000
Transfer from the Water District II fund to the General Fund to repay resources provided for payment of Water District expenses in prior years.	89,837
Transfer from the Water District III fund to the General Fund to repay resources provided for payment of Water District expenses in prior years.	76,230
Transfer from the Transportation Fund to the General Fund.	7,874
Transfer from the General Fund to the Debt Service Fund to cover expenditures for debt service.	1,257,606
Total Transfers	<u><u>\$ 3,164,214</u></u>

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 32,732,872	\$ 35,393,709
less: long-term debt	(12,681,683)	(20,275,348)
add: unexpended debt proceeds	<u>-</u>	<u>-</u>
Net investment in capital assets	<u><u>\$ 20,051,189</u></u>	<u><u>\$ 15,118,361</u></u>

COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

E. Fund Balance

Columbus County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriations:

<u>Total Fund Balance - General Fund</u>	<u>\$ 33,197,412</u>
Less:	
Inventories	\$ 77,679
Prepaid Expenses	70,392
Stabilization by State Statute	4,908,023
Appropriated Fund Balance in 2017 Budget	1,080,030
Tax Revaluation	158,939
Reserve No Till Drill	37,520
ROD Automation enhancement	83,878
Health department	1,315,072
Fall soccer league	7,930
Various	78,122
Working Capital / Fund Balance Policy	-
<u>Remaining Fund Balance</u>	<u>\$ 25,379,827</u>

The County had no outstanding encumbrances at June 30, 2016.

NOTE IV: Related Organizations

Waccamaw Siouan - Development Association, Inc. (WSDA)

The WSDA is a non-profit organization which is primarily funded through Administration for Native American Grants, Community Development Block Grants (CDBG) and other funding from private foundations, federal and State granting agencies. The association serves approximately 1500 Indian People in Bladen and Columbus Counties, North Carolina. It is governed by a Board of Directors elected annually by the people it serves.

NOTE V: Joint Ventures

The County, in conjunction with the State of North Carolina and the Columbus County Board of Education, participates in a joint venture to operate Southeastern Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The county has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new restructured facilities. The County has an ongoing responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,292,724 and \$250,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2016. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2016. Complete financial statements for the community college may be obtained from the community college's administrative offices at Whiteville, NC 28472.



COLUMBUS COUNTY, NORTH CAROLINA  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2016

NOTE VI: Jointly Governed Organization

Columbus County appoints one member, out of a total of thirteen members, to the Lower Cape Fear Water and Sewer Authority Board (Authority). Four other counties and one municipality appoint the other board members. The Authority exists to provide water to various entities. Its revenues are derived from water sales. Columbus County has no ongoing financial interest or responsibility for the authority.

The County, in conjunction with four other counties and twenty-two municipalities, established the Cape Fear Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$22,920 to the Council during the fiscal year ended June 30, 2016. The County was the sub-recipient of various grants from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources, which was passed through the Council.

NOTE VII: Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients, which do not appear in the general purpose financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families	\$ 535,810	\$ -
Medicaid	74,230,380	41,122,042
Children's Insurance Program (CHIP)	913,147	43,991
Energy assistance	324,115	-
Special Supplemental Nutrition Program for Women, Infants, and Children	1,412,560	-
Total	<u>\$ 77,416,012</u>	<u>\$ 41,166,033</u>

NOTE VIII: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

NOTE IX: Related Party Transactions

Giles "Buddy" Byrd, a commissioner of Columbus County, is also a member of Byrd Family, LLC, which owns property that the County leases for use as a Convenience / Recycling Center. The lease is for a five year term, and the LLC receives \$2,500 per year for the lease. This lease was negotiated prior to Mr. Byrd becoming a commissioner.

Edwin Russ, a commissioner of Columbus County, also owns a business (Southern Tire and Muffler). The County paid this company \$10,772 for services during the year.

COLUMBUS COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

NOTE X: Subsequent Events

No items were noted to disclose.

NOTE XI: Prior Period Adjustment

The County recorded the following prior period adjustments:

General Fund to adjust the amount due from the water district project fund. This adjustment resulted in an increase in fund balance of \$100,000.

Tourism Loan Fund to adjust the note receivable balance as of June 30, 2016. This adjustment resulted in a decrease in fund balance of \$2301.

Solid Waste Fund to adjust uncollectible taxes receivable. This adjustment resulted in a decrease in fund balance of \$274,743.

Water District Funds to adjust beginning accounts receivable. This adjustment resulted in a decrease in fund balance of \$200,928.

Water District IV Project Funds to adjust prior year amounts reported for the grant project through June 30, 2015. Revenues, Construction in Process, and Due to the General Fund were adjusted, resulting in a decrease in fund balance of \$235,472.

The Water Districts to adjust prior year revenues reported in each district. The allocation of revenues for previous years had to be adjusted. Prior period adjustments of (\$262,738), \$257,796, \$89,934, (\$24,413), and (60,578) were made to Water District I, II, III, IV, and V, respectively, for a net change in the water districts fund balance of \$0.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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This section contains additional information required by generally accepted accounting principals.

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- ~ Analysis of Funding Progress for the Law Enforcement Special Separation Allowance.
- ~ Schedule of Funding Progress for the Other Postemployment Benefits
- ~ Schedule of Employer Contributions for the Other Postemployment Benefits
- ~ Schedule of County's Proportionate Share of Net Pension Asset (LGERS)
- ~ Schedule of County Contributions (LGERS)
- ~ Schedule of County's Proportionate Share of Net Pension Asset (ROD)
- ~ Schedule of County Contributions (ROD)

**Columbus County, North Carolina**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**June 30, 2016**

Exhibit A-1

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll for Year Ending On Val Date (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2005	\$ -	\$ 453,539	\$ 453,539	0.00%	\$ 1,857,757	24.41%
12/31/2006	-	580,000	580,000	0.00%	2,029,241	28.58%
12/31/2007	-	622,657	622,657	0.00%	2,193,925	28.38%
12/31/2008	-	644,680	644,680	0.00%	2,174,498	29.65%
12/31/2009	-	827,530	827,530	0.00%	2,198,397	37.64%
12/31/2010	-	793,538	793,538	0.00%	2,323,264	34.16%
12/31/2011	-	938,829	938,829	0.00%	2,483,421	37.80%
12/31/2012	-	846,213	846,213	0.00%	2,450,066	34.54%
12/31/2013	-	868,185	868,185	0.00%	2,566,163	33.83%
12/31/2014	-	928,570	928,570	0.00%	2,927,007	31.72%
12/31/2015	-	1,374,918	1,374,918	0.00%	3,081,651	44.62%

**Columbus County, North Carolina  
Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2016**

Exhibit A-2

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll for Year Ending On Val Date (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2008	\$ -	\$ 26,003,246	\$ 26,003,246	0.00%	\$ 16,144,702	161.06%
12/31/2010	-	24,483,847	24,483,847	0.00%	16,511,086	148.29%
12/31/2011	-	23,162,755	23,162,755	0.00%	16,187,979	143.09%
12/31/2013	-	23,488,123	23,488,123	0.00%	17,058,535	137.69%
12/31/2015	-	26,297,297	26,297,297	0.00%	15,861,193	165.80%

**Columbus County, North Carolina  
Other Post Employment Benefits  
Required Supplementary Information  
Schedule of Employer Contributions  
June 30, 2016**

Exhibit A-3

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 2,681,222	10.08%
2010	2,681,222	11.42%
2011	2,808,044	11.28%
2012	2,808,044	11.92%
2013	2,362,704	13.52%
2014	2,196,962	21.10%
2015	2,196,962	20.59%
2016	2,163,545	22.63%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part actuarial valuation follows:

Valuation date	12/31/2015
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical Trend Assumptions:	
Pre-Medicare trend Rate	7.75% - 5.00%
Post-Medicare trend Rate	5.75% - 5.00%
Year of ultimate trend rate	2022
*Includes inflation at	3.00%

**COLUMBUS COUNTY**  
**Schedule of Proportionate Share of Net Pension Liability (Asset)**  
**Local Government Employees' Retirement System**  
**Last Three Fiscal Years\***

<b>Local Government Employees' Retirement System</b>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.27922%	0.28880%	0.28820%
County's proportion of the net pension liability (asset) (\$)	\$ 1,253,123	\$ (1,703,186)	\$ 3,473,917
County's covered-employee payroll	\$ 17,020,241	\$ 17,030,045	\$ 17,167,325
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.36%	-10.00%	20.24%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**COLUMBUS COUNTY**  
**Schedule of County Contributions**  
**Local Government Employees' Retirement System**  
**Last Three Fiscal Years**

<b>Local Government Employees' Retirement System</b>			
	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Contractually required contribution	\$ 1,184,776	\$ 1,214,408	\$ 1,212,862
Contributions in relation to the contractually required contribution	1,184,776	1,214,408	1,212,862
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 17,244,459	\$ 17,020,241	\$ 17,030,045
Contributions as a percentage of covered-employee payroll	6.87%	7.14%	7.12%



**COLUMBUS COUNTY**  
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Three Fiscal Years\***

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (asset) %	0.4516%	0.4586%	0.3290%
County's proportionate share of the net pension liability (asset) \$	\$ (104,661)	\$(103,946)	\$ (70,204)
County's covered-employee payroll	\$ 71,843	\$ 52,956	\$ 52,956
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-145.68%	-196.29%	-132.57%
Plan fiduciary net position as a percentage of the total pension liability	197.29%	193.88%	190.50%

\* The amounts presented for the fiscal year were determined as of June 30.

**COLUMBUS COUNTY**  
**Schedule of County Contributions**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Three Fiscal Years\***

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	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 4,893	\$ 5,080	\$ 3,744
Contributions in relation to contractually required contribution	<u>4,893</u>	<u>5,080</u>	<u>3,744</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 71,846	\$ 71,843	\$ 52,956
Contributions as a percentage of covered-employee payroll	6.81%	7.07%	7.07%

## GENERAL FUND

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The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

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**Columbus County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem Taxes	\$ 29,363,207	\$ 29,272,549	\$ (90,658)
Other Taxes and Licenses	7,078,641	7,452,164	373,523
Unrestricted Intergovernmental Revenues	117,012	119,141	2,129
Restricted Intergovernmental Revenues	13,821,244	13,271,297	(549,947)
Permits and Fees	1,355,156	1,289,445	(65,711)
Sales and Services	3,318,443	2,955,529	(362,914)
Investment Earnings	75,000	252,656	177,656
Miscellaneous	302,745	149,498	(153,247)
Total Revenues	<u>55,431,448</u>	<u>54,762,279</u>	<u>(669,169)</u>
<b>Expenditures</b>			
<b>General Government:</b>			
Governing Body	261,977	253,947	8,030
County Administration	261,369	258,682	2,687
Personnel	212,302	195,047	17,255
Purchasing	123,442	116,597	6,845
County Garage	77,050	65,269	11,781
Elections	502,624	479,945	22,679
Finance	345,719	338,868	6,851
Tax Administration	1,076,618	996,894	79,724
Management Information Systems	352,012	327,177	24,835
Legal and Professional	478,951	452,086	26,865
Register of Deeds	454,546	445,041	9,505
Public Buildings	1,151,078	1,049,158	101,920
Nondepartmental	1,363,393	960,501	402,892
Total General Government	<u>6,661,081</u>	<u>5,939,212</u>	<u>721,869</u>
<b>Public safety:</b>			
Sheriff	5,634,563	5,254,224	380,339
Teen Court	75,209	71,608	3,601
Governors Hwy Safety Grant	12,701	-	12,701
Sheriff's Department Grant	2,000	1,767	233
Law Enforcement Center	3,101,740	2,785,213	316,527
Fire Marshall	142,047	110,481	31,566
Emergency Services	1,341,343	1,182,728	158,615
Fire, Rescue, EMS	13,250	12,160	1,090
Inspections	197,304	190,556	6,748
Animal Control	274,893	266,780	8,113
Local Law Enforcement Block Grant	11,874	11,215	659
Special Alcohol and Drug	10,000	8,605	1,395
Total Public Safety	<u>10,816,924</u>	<u>9,895,337</u>	<u>921,587</u>
<b>Economic and Physical Development:</b>			
Economic Development	292,024	234,473	57,551
Cooperative Extension	481,310	363,613	117,697
Senior Center	170,590	149,621	20,969
Soil Conservation	206,714	177,495	29,219
Airport	668,972	533,614	135,358
Minor Home Repairs	64,700	54,398	10,302
Total Economic and Physical Develop	<u>1,884,310</u>	<u>1,513,214</u>	<u>371,096</u>
<b>Human services:</b>			
Health	5,948,023	5,290,802	657,221
Coroner and Medical Examiner	50,542	71,182	(20,640)
Veteran Services	121,960	118,618	3,342
Social Services	7,868,434	7,742,151	126,283
Public Assistance Programs	4,247,010	3,945,821	301,189
Special Assistance to the Aging	2,691,763	2,449,710	242,053
Total Human Services	<u>20,927,732</u>	<u>19,618,284</u>	<u>1,309,448</u>

**Columbus County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Cultural and recreational:			
Recreation	523,183	466,872	56,311
Library	1,358,058	1,340,530	17,528
Total Cultural and Recreational	<u>1,881,241</u>	<u>1,807,402</u>	<u>73,839</u>
Education:			
Public School			
Current Expense	7,181,259	7,181,259	-
Capital Outlay	1,000,000	1,000,000	-
Community College			
Current Expense	1,292,724	1,292,724	-
Capital Outlay	250,000	195,819	54,181
Fines and Forfeitures	195,000	205,259	(10,259)
1/2 Cents Sales Tax	1,560,156	1,207,175	352,981
ABC Profit Distributions	68,000	57,924	10,076
Total Education	<u>11,547,139</u>	<u>11,140,160</u>	<u>406,979</u>
Special Appropriations	<u>2,904,324</u>	<u>2,858,106</u>	<u>46,218</u>
Debt service:			
Principal	1,519,860	1,261,033	258,827
Interest and fees	135,544	137,184	(1,640)
Total debt service	<u>1,655,404</u>	<u>1,398,217</u>	<u>257,187</u>
Total expenditures	<u>58,278,155</u>	<u>54,169,932</u>	<u>4,108,223</u>
Revenue over (under) expenditures	<u>(2,846,707)</u>	<u>592,347</u>	<u>3,439,054</u>
Other financing sources (uses):			
Transfer - Out (Capital Project Fund)	(113,997)	-	113,997
Transfer - Out (Revaluation)	(20,000)	(20,000)	-
Transfer - Out (Debt Services Fund)	(1,241,860)	(1,257,606)	(15,746)
Transfer - Out (Transportation)	(50,606)	-	50,606
Transfer - Out (School Capital Outlay)	(1,666,000)	(1,666,000)	-
Transfer - Out (Airport Projects)	(46,667)	(46,667)	-
Transfer - In (Transportation)	11,284	7,874	(3,410)
Transfer - In (Water District II)	166,067	166,067	-
Installment purchase obligations issued	-	-	-
Appropriated Fund Balance	5,808,486	-	(5,808,486)
Total other financing sources (uses)	<u>2,846,707</u>	<u>(2,816,332)</u>	<u>(5,663,039)</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,223,985)</u>	<u>\$ (2,223,985)</u>
Fund balance, beginning of year		35,162,458	
Prior Period Adjustment		<u>100,000</u>	
Fund balance, end of year		<u>\$ 33,038,473</u>	

**Columbus County, North Carolina**  
**Revaluation Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
General government	20,000	-	20,000
Revenues over (under) expenditures	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
Other financing sources (uses):			
Transfer from General Fund	20,000	20,000	-
Appropriated Fund Balance	-	-	-
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	20,000	<u>\$ 20,000</u>
Fund balance, beginning		<u>138,939</u>	
Fund balance, ending		<u>\$ 158,939</u>	

## NON-MAJOR GOVERNMENTAL FUNDS

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Non-Major Governmental Funds are Special Revenue Funds, Capital Projects Funds, and  
Debt Services Fund

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**Columbus County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,257,720	\$ 496,187	\$ -	\$ 1,753,907
Restricted cash	-	-	-	-
Taxes receivable (net)	350,187	-	-	350,187
Accounts receivable (net)	131,522	1,623	-	133,145
Notes receivable	36,889	-	-	36,889
Due from other funds	33,902	-	-	33,902
Due from other governments	-	1,246	-	1,246
Total assets	<u>\$ 1,810,220</u>	<u>\$ 499,056</u>	<u>\$ -</u>	<u>\$ 2,309,276</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
General Fund advance	\$ 9,709	\$ 744,243	\$ 73,937	\$ 827,889
Accounts payable and accrued liabilities	194,493	329,785	194,450	718,728
Total liabilities	<u>204,202</u>	<u>1,074,028</u>	<u>268,387</u>	<u>1,546,617</u>
DEFERRED INFLOWS OF RESOURCES	<u>350,187</u>	<u>-</u>	<u>-</u>	<u>350,187</u>
Fund balances:				
Restricted:				
Public Safety	902,508	65,452	-	967,960
Transportation	194,390	-	-	194,390
Economic and Physical Development	168,935	-	-	168,935
Airport improvements	-	105,930	-	105,930
Unassigned	(10,002)	(746,354)	(268,387)	(1,024,743)
Total fund balances	<u>1,255,831</u>	<u>(574,972)</u>	<u>(268,387)</u>	<u>412,472</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,460,033</u>	<u>\$ 499,056</u>	<u>\$ -</u>	<u>\$ 1,959,089</u>



**Columbus County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>				
Ad valorem taxes	\$ 2,423,309	\$ -	\$ -	\$ 2,423,309
Other taxes and license	96,421	-	-	96,421
Charges for services	55,746	-	-	55,746
Restricted intergovernmental	900,921	416,554	-	1,317,475
Investment earnings	1,815	979	-	2,794
Miscellaneous	-	211,496	-	211,496
Total revenues	<u>3,478,212</u>	<u>629,029</u>	<u>-</u>	<u>4,107,241</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	2,765,395	-	-	2,765,395
Transportation	514,370	-	-	514,370
Economic and physical development	297,044	-	-	297,044
Education	-	1,926,697	-	1,926,697
Total current expenditures	<u>3,576,809</u>	<u>1,926,697</u>	<u>-</u>	<u>5,503,506</u>
Capital outlay	<u>-</u>	<u>1,162,382</u>	<u>-</u>	<u>1,162,382</u>
<b>Debt service:</b>				
Principal	-	-	968,836	968,836
Interest and fees	-	-	267,075	267,075
Total debt service	<u>-</u>	<u>-</u>	<u>1,235,911</u>	<u>1,235,911</u>
Total Expenditures	<u>3,576,809</u>	<u>3,089,079</u>	<u>1,235,911</u>	<u>7,901,799</u>
Revenues over (under) expenditures	<u>(98,597)</u>	<u>(2,460,050)</u>	<u>(1,235,911)</u>	<u>(3,794,558)</u>
<b>Other financing sources (uses):</b>				
Transfers in (out)	<u>(7,874)</u>	<u>1,712,667</u>	<u>1,257,606</u>	<u>2,962,399</u>
Total other financing sources (uses)	<u>(7,874)</u>	<u>1,712,667</u>	<u>1,257,606</u>	<u>2,962,399</u>
Net change in fund balance	(106,471)	(747,383)	21,695	(832,159)
Fund balances, beginning	1,364,603	172,411	(290,082)	1,246,932
Prior Period Adjustment	(2,301)	-	-	(2,301)
Fund balances, ending	<u>\$ 1,255,831</u>	<u>\$ (574,972)</u>	<u>\$ (268,387)</u>	<u>\$ 412,472</u>

**Columbus County, North Carolina  
Non-Major Special Revenue Funds  
Combining Balance Sheet  
June 30, 2016**

	Special Service District Fund	Rescue Tax Fund	Emergency Telephone	2010 Single Family Rehabilitation Grant	Transportation Fund	Tourism Revolving Loan Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 46,890	\$ 117,613	\$ 875,044	\$ 10,191	\$ 86,127	\$ 121,144
Taxes receivable (net)	265,191	84,996	-	-	-	-
Accounts receivable (net)	-	-	27,590	-	103,932	-
Notes receivable	-	-	-	-	-	36,889
Due from other funds	-	-	-	-	33,902	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>\$ 312,081</u>	<u>\$ 202,609</u>	<u>\$ 902,634</u>	<u>\$ 10,191</u>	<u>\$ 223,961</u>	<u>\$ 158,033</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
General Fund advance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	<u>45,307</u>	<u>117,906</u>	<u>1,709</u>	<u>-</u>	<u>29,571</u>	<u>-</u>
Total liabilities	<u>45,307</u>	<u>117,906</u>	<u>1,709</u>	<u>-</u>	<u>29,571</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES	<u>265,191</u>	<u>84,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted:						
Public Safety	1,583	-	900,925	-	-	-
Transportation	-	-	-	-	194,390	-
Economic and Physical Development	-	-	-	10,191	-	158,033
Unassigned	<u>-</u>	<u>(293)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,583</u>	<u>(293)</u>	<u>900,925</u>	<u>10,191</u>	<u>194,390</u>	<u>158,033</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 312,081</u>	<u>\$ 202,609</u>	<u>\$ 902,634</u>	<u>\$ 10,191</u>	<u>\$ 223,961</u>	<u>\$ 158,033</u>

**Columbus County, North Carolina  
Non-Major Special Revenue Funds  
Combining Balance Sheet  
June 30, 2016**

	2014 Urgent Repair Program	Down East Connect Project	2011 Scattered Site Housing Grant	2011 CDBG Grant 11-C-2369	2013 Single Family Rehab Grant	2013 Urgent Repair Program	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 9	\$ 366	\$ 336		\$ -	\$ 1,257,720
Taxes receivable (net)	-	-	-	-	-	-	350,187
Accounts receivable (net)	-	-	-	-	-	-	131,522
Notes receivable	-	-	-	-	-	-	36,889
Due from other funds	-	-	-	-	-	-	33,902
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 366</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,810,220</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
General Fund advance	\$ -	\$ -	\$ -	\$ -	\$ 9,594	\$ 115	9,709
Accounts payable and accrued liabilities	-	-	-	-	-	-	194,493
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,594</u>	<u>115</u>	<u>204,202</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,187</u>
Fund Balances:							
Restricted:							
Public Safety	-	-	-	-	-	-	902,508
Transportation	-	-	-	-	-	-	194,390
Economic and Physical Development	-	9	366	336	-	-	168,935
Unassigned	-	-	-	-	(9,594)	(115)	(10,002)
Total fund balances	<u>-</u>	<u>9</u>	<u>366</u>	<u>336</u>	<u>(9,594)</u>	<u>(115)</u>	<u>1,255,831</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 366</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,810,220</u>

**Columbus County, North Carolina  
Non-Major Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2016**

	Special Service District Fund	Rescue Tax Fund	Emergency Telephone	2010 Single Family Rehabilitation Grant	Transportation Fund	Tourism Revolving Loan Fund
<b>Revenues:</b>						
Ad valorem taxes	\$ 1,701,329	\$ 721,980	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	-	-	-	-	96,421	-
Charges for services	-	-	-	-	55,746	-
Restricted intergovernmental	-	-	266,425	-	445,062	-
Investment earnings	-	-	-	-	-	1,815
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>1,701,329</u>	<u>721,980</u>	<u>266,425</u>	<u>-</u>	<u>597,229</u>	<u>1,815</u>
<b>Expenditures:</b>						
Public safety	1,698,847	721,977	344,571	-	-	-
Transportation	-	-	-	-	514,370	-
Economic and physical development	-	-	-	-	-	-
Total expenditures	<u>1,698,847</u>	<u>721,977</u>	<u>344,571</u>	<u>-</u>	<u>514,370</u>	<u>-</u>
Revenues over (under) expenditures	2,482	3	(78,146)	-	82,859	1,815
<b>Other financing sources (uses):</b>						
Transfers in (out)	-	-	-	-	(7,874)	-
Loan proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,874)</u>	<u>-</u>
Net change in fund balances	2,482	3	(78,146)	-	74,985	1,815
Fund balances, beginning	<u>(899)</u>	<u>(296)</u>	<u>979,071</u>	<u>10,191</u>	<u>119,405</u>	<u>158,519</u>
Fund balances, ending	<u>\$ 1,583</u>	<u>\$ (293)</u>	<u>\$ 900,925</u>	<u>\$ 10,191</u>	<u>\$ 194,390</u>	<u>\$ 158,033</u>

**Columbus County, North Carolina  
Non-Major Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2016**

	2014 Urgent Repair Program	Down East Connect Project	2011 Scattered Site Housing Grant	2011 CDBG Grant 11-C-2369	2013 Single Family Rehab Grant	2013 Urgent Repair Program	Total
<b>Revenues:</b>							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,423,309
Other taxes and licenses	-	-	-	-	-	-	96,421
Charges for services	-	-	-	-	-	-	55,746
Restricted intergovernmental	42,805	-	-	49,652	96,977	-	900,921
Investment earnings	-	-	-	-	-	-	1,815
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>42,805</u>	<u>-</u>	<u>-</u>	<u>49,652</u>	<u>96,977</u>	<u>-</u>	<u>3,478,212</u>
<b>Expenditures:</b>							
Public safety	-	-	-	-	-	-	2,765,395
Transportation	-	-	-	-	-	-	514,370
Economic and physical development	92,689	-	8,140	99,238	96,977	-	297,044
Total expenditures	<u>92,689</u>	<u>-</u>	<u>8,140</u>	<u>99,238</u>	<u>96,977</u>	<u>-</u>	<u>3,576,809</u>
Revenues over (under) expenditures	(49,884)	-	(8,140)	(49,586)	-	-	(98,597)
<b>Other financing sources (uses):</b>							
Transfers in (out)	-	-	-	-	-	-	(7,874)
Loan proceeds	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,874)</u>
Net change in fund balances	(49,884)	-	(8,140)	(49,586)	-	-	(106,471)
Fund balances, beginning	<u>49,884</u>	<u>9</u>	<u>8,506</u>	<u>49,922</u>	<u>(9,594)</u>	<u>(115)</u>	<u>1,364,603</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 366</u>	<u>\$ 336</u>	<u>\$ (9,594)</u>	<u>\$ (115)</u>	<u>\$ 1,255,831</u>

**Columbus County, North Carolina**  
**Special Service District Funds**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,739,475	\$ 1,701,329	\$ (38,146)
Total revenues	<u>1,739,475</u>	<u>1,701,329</u>	<u>(38,146)</u>
<b>Expenditures:</b>			
Public Safety:			
Acme Delco Fire District	369,639	371,869	(2,230)
Bolton Fire District	49,093	42,589	6,504
Brunswick Fire District	151,484	150,990	494
Buckhead Fire District	22,210	20,567	1,643
Cerro Gordo Fire District	84,016	82,960	1,056
Coles Service Fire District	63,933	63,265	668
East Columbus Fire District	27,285	13,446	13,839
Evergreen Fire District	69,462	68,781	681
Hallsboro Fire District	63,540	63,133	407
Klondyke Fire District	125,857	122,482	3,375
Nakina Fire District	100,818	100,477	341
North Whiteville Fire District	176,377	172,330	4,047
Old Dock/Cypress Creek Fire District	54,406	52,069	2,337
Roseland Fire District	82,390	83,281	(891)
St. James Fire District	21,873	21,442	431
Williams Township Fire District	101,455	100,438	1,017
White Marsh Fire District	50,811	47,294	3,517
Yam City Fire District	124,826	121,434	3,392
Total expenditures	<u>1,739,475</u>	<u>1,698,847</u>	<u>40,628</u>
Revenues over (under) expenditures	<u>\$ -</u>	2,482	<u>\$ 2,482</u>
Fund balance, beginning		<u>(899)</u>	
Fund balance, ending		<u>\$ 1,583</u>	

**Columbus County, North Carolina**  
**Rescue Tax Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes	\$ 734,618	\$ 721,980	\$ (12,638)
Total revenues	<u>734,618</u>	<u>721,980</u>	<u>(12,638)</u>
<b>Expenditures:</b>			
Public Safety:			
Acme Delco Riegelwood Rescue	67,237	65,990	1,247
Buckhead Rescue	67,236	65,990	1,246
Cerro Gordo Rescue	67,237	65,990	1,247
Chadburn Rescue	67,236	65,990	1,246
Fair Bluff Rescue	67,236	65,990	1,246
Lake Waccamaw Rescue	67,236	65,990	1,246
Nakina Rescue	67,237	65,990	1,247
Tabor City Rescue	67,237	65,990	1,247
Special Districts	196,726	194,057	2,669
Total expenditures	<u>734,618</u>	<u>721,977</u>	<u>12,641</u>
Revenues over (under) expenditures	<u>\$ -</u>	3	<u>\$ 3</u>
Fund balance, beginning		<u>(296)</u>	
Fund balance, ending		<u>\$ (293)</u>	

**Columbus County, North Carolina**  
**Emergency Telephone Systems**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
E911 Surcharge revenue	\$ 271,571	\$ 266,425	\$ (5,146)
Total revenues	<u>271,571</u>	<u>266,425</u>	<u>(5,146)</u>
Expenditures:			
Contracted services	165,600	159,443	6,157
Operating expenses	36,971	47,047	(10,076)
Total Operating Expenditures	<u>202,571</u>	<u>206,490</u>	<u>(3,919)</u>
Capital Outlay	142,000	138,081	3,919
Total expenditures	<u>344,571</u>	<u>344,571</u>	<u>-</u>
Revenues over (under) expenditures	<u>(73,000)</u>	<u>(78,146)</u>	<u>(5,146)</u>
Other Financing Sources (Uses):			
Transfer in (out)	-	-	-
Appropriated Fund Balance	73,000	-	(73,000)
Total Other Financing Sources (Uses)	<u>73,000</u>	<u>-</u>	<u>(73,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	(78,146)	<u>\$ (78,146)</u>
Fund balance, beginning		<u>979,071</u>	
Fund balance, ending		<u>\$ 900,925</u>	



**Columbus County, North Carolina**  
**2010 Single Family Rehabilitation Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out	
<b>Revenues:</b>					
NC Housing Finance funds	\$ 448,360	\$ 495,781	\$ -	\$ -	\$ 495,781
NCHFA-Lapp revenues	36,000	-	-	-	-
Total revenues	<u>484,360</u>	<u>495,781</u>	<u>-</u>	<u>-</u>	<u>495,781</u>
<b>Expenditures:</b>					
Administrative cost	40,760	47,261	-	-	47,261
Hard cost	360,000	431,893	-	-	431,893
2010 Rehabilitation cost	47,600	51,950	-	-	51,950
Lapp expenditure	36,000	-	-	-	-
Total expenditures	<u>484,360</u>	<u>531,104</u>	<u>-</u>	<u>-</u>	<u>531,104</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (35,323)</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (35,323)</u>
Fund balance, beginning			<u>10,191</u>		
Fund balance, ending			<u>\$ 10,191</u>		

**Columbus County, North Carolina**  
**Transportation Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
NCDOT Interagency Grant	\$ 274,587	\$ 291,144	\$ 16,557
NC Partnership for Children	4,000	3,300	(700)
NCDOT Rural Operating Assistance	161,468	150,618	(10,850)
Interagency transportation	39,900	55,746	15,846
CCIT - Gasoline reimbursement	140,000	96,421	(43,579)
Investment earnings	-	-	-
Total revenues	<u>619,955</u>	<u>597,229</u>	<u>(22,726)</u>
<b>Expenditures:</b>			
Transportation:			
Salaries and employee benefits	65,788	66,460	(672)
Management services	80,821	80,821	-
Special appropriations	161,468	151,897	9,571
Transportation services	63,500	18,875	44,625
Operating expenses	161,619	95,213	66,406
Capital outlay	143,500	101,104	42,396
Total expenditures	<u>676,696</u>	<u>514,370</u>	<u>162,326</u>
Revenues over (under) expenditures	<u>(56,741)</u>	<u>82,859</u>	<u>139,600</u>
<b>Other financing sources (uses):</b>			
Transfer from General fund	50,606	-	(50,606)
Transfer to General fund	(7,874)	(7,874)	-
Transfer from (to) Capital Project Fund	-	-	-
Transfer from Reserve	14,009	-	(14,009)
Total other financing sources (uses)	<u>56,741</u>	<u>(7,874)</u>	<u>(64,615)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>74,985</u>	<u>\$ 74,985</u>
Fund balance, beginning		<u>119,405</u>	
Fund balance, ending		<u>\$ 194,390</u>	

**Columbus County, North Carolina**  
**Tourism Revolving Loan Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Payments received	\$ 60,000	\$ -	\$ (60,000)
Investment earnings	21,672	1,815	(19,857)
Total revenues	<u>81,672</u>	<u>1,815</u>	<u>(79,857)</u>
Expenditures:			
Administration	-	-	-
Revolving Loan	60,000	-	60,000
Contribution	21,672	-	21,672
Total expenditures	<u>81,672</u>	<u>-</u>	<u>81,672</u>
Revenues over (under) expenditures	<u>\$ -</u>	1,815	<u>\$ 1,815</u>
Fund balance, beginning		158,519	
Prior Period Adjustment		<u>(2,301)</u>	
Fund balance, ending		<u>\$ 158,033</u>	

**Columbus County, North Carolina**  
**2014 Urgent Repair Program**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Community Development Block Grant	\$ 100,000	\$ 50,000	\$ 42,805	\$ 92,805
Total revenues	<u>100,000</u>	<u>50,000</u>	<u>42,805</u>	<u>92,805</u>
<b>Expenditures:</b>				
Urgent Repair Expenditures	100,000	116	92,689	92,805
Total expenditures	<u>100,000</u>	<u>116</u>	<u>92,689</u>	<u>92,805</u>
Revenues over (under) expenditures	<u>-</u>	<u>49,884</u>	<u>(49,884)</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to General Fund	-	-	-	-
Appropriated Fund Balance	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 49,884</u>	(49,884)	<u>\$ -</u>
Fund balance, beginning			<u>49,884</u>	
Fund balance, ending			<u>\$ -</u>	

**Columbus County, North Carolina**  
**Down East Connect Project**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Donations	\$ 5,000	\$ 2,500	\$ -	\$ 2,500
Grant Project Revenues	110,000	109,720	-	109,720
Total revenues	<u>115,000</u>	<u>112,220</u>	<u>-</u>	<u>112,220</u>
<b>Expenditures:</b>				
Special services	4,400	4,400	-	4,400
Professional services	42,920	42,920	-	42,920
Project Manager	40,400	40,111	-	40,111
Driver	7,600	7,600	-	7,600
Contractor/Consultant	8,000	8,000	-	8,000
Supplies	4,180	4,180	-	4,180
Travel	2,500	2,500	-	2,500
Miscellaneous	5,000	2,500	-	2,500
Total expenditures	<u>115,000</u>	<u>112,211</u>	<u>-</u>	<u>112,211</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 9</u>	-	<u>\$ 9</u>
Fund balance, beginning			<u>9</u>	
Fund balance, ending			<u>\$ 9</u>	

**Columbus County, North Carolina**  
**2011 Scattered Site Housing Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
2011 Scattered Site Housing Grant	\$ 400,000	\$ 359,584	\$ -	\$ 359,584
Total revenues	<u>400,000</u>	<u>359,584</u>	<u>-</u>	<u>359,584</u>
Expenditures:				
C-1 Administration	40,000	32,487	9,448	41,935
Rehabilitation	360,000	318,591	(1,308)	317,283
Total expenditures	<u>400,000</u>	<u>351,078</u>	<u>8,140</u>	<u>359,218</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 8,506</u>	(8,140)	<u>\$ 366</u>
Fund balance, beginning			<u>8,506</u>	
Fund balance, ending			<u>\$ 366</u>	

**Columbus County, North Carolina**  
**2011 CDBG Program Grant 11-C-2369**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Community Development Grant Revenues	\$ 500,000	\$ 450,348	\$ 49,652	\$ 500,000
Total revenues	<u>500,000</u>	<u>450,348</u>	<u>49,652</u>	<u>500,000</u>
<b>Expenditures:</b>				
Administration	50,000	48,834	1,190	50,024
Fitness Park	140,000	111,225	73,049	184,274
Rehabilitation	290,000	263,273	24,999	288,272
C-1 Clearance	70,000	27,094	-	27,094
Total expenditures	<u>550,000</u>	<u>450,426</u>	<u>99,238</u>	<u>549,664</u>
Revenues over (under) expenditures	(50,000)	(78)	(49,586)	(49,664)
<b>Other Financing Sources (Uses):</b>				
Transfer from General Fund	50,000	50,000	-	50,000
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<b>Revenues and Other Financing Sources</b>				
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 49,922</u>	(49,586)	<u>\$ 336</u>
Fund balance, beginning			<u>49,922</u>	
Fund balance, ending			<u>\$ 336</u>	

**Columbus County, North Carolina**  
**2013 Single Family Rehabilitation Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
NC Housing Finance funds	\$ 170,000	\$ 80,549	\$ 96,977	\$ 177,526
Total revenues	<u>170,000</u>	<u>80,549</u>	<u>96,977</u>	<u>177,526</u>
<b>Expenditures:</b>				
Hard cost	135,000	72,719	70,331	143,050
Soft cost	35,000	17,424	26,646	44,070
Total expenditures	<u>170,000</u>	<u>90,143</u>	<u>96,977</u>	<u>187,120</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (9,594)</u>	-	<u>\$ (9,594)</u>
Fund balance, beginning			<u>(9,594)</u>	
Fund balance, ending			<u>\$ (9,594)</u>	



**Columbus County, North Carolina**  
**2013 Urgent Repair Program**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Urgent Repair Program Revenues	\$ 75,000	\$ 64,428	\$ -	\$ 64,428
Total revenues	<u>75,000</u>	<u>64,428</u>	<u>-</u>	<u>64,428</u>
<b>Expenditures:</b>				
Urgent Repair Expenditures	75,000	64,543	-	64,543
Total expenditures	<u>75,000</u>	<u>64,543</u>	<u>-</u>	<u>64,543</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (115)</u>	-	<u>\$ (115)</u>
Fund balance, beginning			<u>(115)</u>	
Fund balance, ending			<u>\$ (115)</u>	

**Columbus County, North Carolina**  
**Debt Service Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ -	\$ -	\$ -
Restricted Sales Tax	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Principal	968,836	968,836	-
Interest and fees	273,024	267,075	5,949
Total expenditures	<u>1,241,860</u>	<u>1,235,911</u>	<u>5,949</u>
Revenues over (under) expenditures	<u>(1,241,860)</u>	<u>(1,235,911)</u>	<u>5,949</u>
Other financing sources (uses):			
Transfer from General Fund	1,241,860	1,257,606	15,746
Total other financing sources (uses)	<u>1,241,860</u>	<u>1,257,606</u>	<u>15,746</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	21,695	<u>\$ 21,695</u>
Fund balance, beginning		<u>(290,082)</u>	
Fund balance, ending		<u>\$ (268,387)</u>	

## CAPITAL PROJECTS FUND

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Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

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**Columbus County, North Carolina  
Non-Major Capital Projects Fund  
Combining Balance Sheets  
June 30, 2016**

	Airport Improvements	Courthouse Construction Project	Courthouse Renovation Capital Project	E911 Project - Radio	Public School Bonds Capital Project	School Capital Fund	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 117,981	\$ -	\$ -	\$ -	\$ 378,201	\$ 5	\$ 496,187
Restricted cash	-	-	-	-	-	-	-
Accounts receivable (net)	1,623	-	-	-	-	-	1,623
Due from other governments	-	1,246	-	-	-	-	1,246
Total assets	<u>\$ 119,604</u>	<u>\$ 1,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,201</u>	<u>\$ 5</u>	<u>\$ 499,056</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
General Fund advance	\$ -	\$ 274,449	\$ 290,328	\$ 179,466	\$ -	\$ -	\$ 744,243
Accounts payable and accrued liabilities	13,674	3,357	-	-	312,749	5	329,785
Special Liabilities	-	-	-	-	-	-	-
Total liabilities	<u>13,674</u>	<u>277,806</u>	<u>290,328</u>	<u>179,466</u>	<u>312,749</u>	<u>5</u>	<u>1,074,028</u>
Fund balances:							
Restricted:							
Airport improvements	105,930	-	-	-	-	-	105,930
Public Safety	-	-	-	-	65,452	-	65,452
Unassigned	-	(276,560)	(290,328)	(179,466)	-	-	(746,354)
Total fund balances	<u>105,930</u>	<u>(276,560)</u>	<u>(290,328)</u>	<u>(179,466)</u>	<u>65,452</u>	<u>-</u>	<u>(574,972)</u>
Total liabilities and fund balances	<u>\$ 119,604</u>	<u>\$ 1,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,201</u>	<u>\$ 5</u>	<u>\$ 499,056</u>

**Columbus County, North Carolina  
Non-Major Capital Projects Fund  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
For the Year Ended June 30, 2016**

	<u>Airport Improvements</u>	<u>Courthouse Construction Project</u>	<u>Courthouse Renovation Capital Project</u>	<u>E911 Project - Radio</u>	<u>Public School Bonds Capital Project</u>	<u>School Capital Fund</u>	<u>Total</u>
<b>Revenues:</b>							
Restricted intergovernmental	\$ 155,857	\$ -	\$ -	\$ -	\$ 260,697	\$ -	\$ 416,554
Investment earnings	-	979	-	-	-	-	979
Miscellaneous	-	211,496	-	-	-	-	211,496
Total revenues	<u>155,857</u>	<u>212,475</u>	<u>-</u>	<u>-</u>	<u>260,697</u>	<u>-</u>	<u>629,029</u>
<b>Expenditures:</b>							
Education	-	-	-	-	1,926,697	-	1,926,697
Capital outlay	<u>195,778</u>	<u>855,492</u>	<u>505</u>	<u>110,607</u>	<u>-</u>	<u>-</u>	<u>1,162,382</u>
Total expenditures	<u>195,778</u>	<u>855,492</u>	<u>505</u>	<u>110,607</u>	<u>1,926,697</u>	<u>-</u>	<u>3,089,079</u>
Revenues over (under) expenditures	(39,921)	(643,017)	(505)	(110,607)	(1,666,000)	-	(2,460,050)
<b>Other financing sources (uses):</b>							
Transfers in (out)	46,667	-	-	-	1,666,000	-	1,712,667
Debt Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>46,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,666,000</u>	<u>-</u>	<u>1,712,667</u>
Net change in fund balances	6,746	(643,017)	(505)	(110,607)	-	-	(747,383)
Fund balances, beginning	<u>99,184</u>	<u>366,457</u>	<u>(289,823)</u>	<u>(68,859)</u>	<u>65,452</u>	<u>-</u>	<u>172,411</u>
Fund balances, ending	<u>\$ 105,930</u>	<u>\$ (276,560)</u>	<u>\$ (290,328)</u>	<u>\$ (179,466)</u>	<u>\$ 65,452</u>	<u>\$ -</u>	<u>\$ (574,972)</u>

**Columbus County, North Carolina**  
**Airport Development - Capital Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
NCDOT Airport Grant (36237.53.5.1)	\$ 411,240	\$ 346,286	\$ -	\$ 346,286
NCDOT Airport Grant (36237.53.5.2)	48,222	46,164	-	46,164
NCDOT Airport Grant (36237.53.6.2)	31,766	31,765	-	31,765
NCDOT Airport Grant (36237.53.9.1)	96,611	84,149	-	84,149
NCDOT Airport Grant (36244.18.3.1)	200,000	200,895	-	200,895
NCDOT Airport Grant (36244.18.4.1)	261,000	260,104	-	260,104
NCDOT Airport Grant (36244.18.4.2)	200,000	200,000	-	200,000
NCDOT Airport Grant (36244.18.5.1)	2,812,269	2,684,946	137,552	2,822,498
NCDOT Airport Grant (36237.53.10.1)	512,411	454,203	5,872	460,075
NCDOT Airport Grant (36237.53.11.1)	150,000	-	-	-
NCDOT Airport Grant (36237.53.7.1)	12,236	3,776	-	3,776
NCDOT Airport Grant (36244.18.6.1)	42,575	24,838	12,433	37,271
Miscellaneous	-	393	-	393
<b>Total revenues</b>	<b>4,778,330</b>	<b>4,337,519</b>	<b>155,857</b>	<b>4,493,376</b>
<b>Expenditures:</b>				
Airport improvements	4,155,693	3,314,500	152,999	3,467,499
Professional services	1,426,395	1,619,097	42,779	1,661,876
Administrative costs	3,775	670	-	670
<b>Total expenditures</b>	<b>5,585,863</b>	<b>4,934,267</b>	<b>195,778</b>	<b>5,130,045</b>
Revenues over (under) expenditures	<u>(807,533)</u>	<u>(596,748)</u>	<u>(39,921)</u>	<u>(636,669)</u>
<b>Other financing sources:</b>				
Transfers from General Fund	807,533	557,914	46,667	604,581
Transfer from Airport Improvements Fund	-	138,018	-	138,018
<b>Total other financing sources</b>	<b>807,533</b>	<b>695,932</b>	<b>46,667</b>	<b>742,599</b>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 99,184</u>	<u>\$ 6,746</u>	<u>\$ 105,930</u>

**Columbus County, North Carolina**  
**Courthouse Construction Project - Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings	\$ 1,000	\$ 2,681	\$ 979	\$ 3,660
Sales & Use Tax Refunds	184,319	-	184,319	184,319
Miscellaneous	27,862	684	27,177	27,861
Total revenues	<u>213,181</u>	<u>3,365</u>	<u>212,475</u>	<u>215,840</u>
<b>Expenditures:</b>				
Construction	8,456,700	7,404,890	682,041	8,086,931
Engineering/Architect fees	653,013	625,065	-	625,065
Contracts	326,987	166,355	160,583	326,938
Relocation expense	-	-	-	-
Furniture, Fixtures, Equipment	422,300	404,270	12,868	417,138
Contingency	302,951	95,624	-	95,624
Total expenditures	<u>10,161,951</u>	<u>8,696,204</u>	<u>855,492</u>	<u>9,551,696</u>
Revenues over (under) expenditures	<u>(9,948,770)</u>	<u>(8,692,839)</u>	<u>(643,017)</u>	<u>(9,335,856)</u>
<b>Other financing sources:</b>				
Debt proceeds	9,000,000	9,000,000	-	9,000,000
Transfer from general fund	948,770	59,296	-	59,296
Total other financing sources	<u>9,948,770</u>	<u>9,059,296</u>	<u>-</u>	<u>9,059,296</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 366,457</u>	<u>\$ (643,017)</u>	<u>\$ (276,560)</u>

**Columbus County, North Carolina**  
**Courthouse Renovation Capital Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Construction	-	-	-	-
Engineering/Architect fees	-	271,500	-	271,500
Contingency	-	38	505	543
Furniture, Fixtures, Equipment	-	18,285	-	18,285
Total expenditures	<u>-</u>	<u>289,823</u>	<u>505</u>	<u>290,328</u>
Revenues over (under) expenditures	<u>-</u>	<u>(289,823)</u>	<u>(505)</u>	<u>(290,328)</u>
<b>Other financing sources:</b>				
Debt proceeds	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (289,823)</u>	<u>\$ (505)</u>	<u>\$ (290,328)</u>



**Columbus County, North Carolina**  
**Columbus County - E911 Project - Radio Communications - Capital Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed	
Revenues:					
NC 911 Board revenues	\$ 70,760	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>70,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Capital outlay	1,584,760	82,859	110,607	-	193,466
Total expenditures	<u>1,584,760</u>	<u>82,859</u>	<u>110,607</u>	<u>-</u>	<u>193,466</u>
Revenues over (under) expenditures	<u>(1,514,000)</u>	<u>(82,859)</u>	<u>(110,607)</u>	<u>-</u>	<u>(193,466)</u>
Other financing sources:					
Transfer to (from)E-911 Fund	1,236,937	-	-	-	-
Transfer to (from) Transportation Fund	-	14,000	-	-	14,000
Transfer (to) from General Fund	277,063	-	-	-	-
Total other financing sources	<u>1,514,000</u>	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>14,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (68,859)</u>	<u>\$ (110,607)</u>	<u>\$ -</u>	<u>\$ (179,466)</u>

**Columbus County, North Carolina**  
**Public Schools Bonds Capital Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed	
Revenues:					
Restricted intergovernmental:					
Public School Building	\$ -	\$ -	\$ -	\$ -	\$ -
Lottery Distribution	500,000	-	260,697	-	260,697
Restricted Sales Tax	-	-	-	-	-
Total revenues	<u>500,000</u>	<u>-</u>	<u>260,697</u>	<u>-</u>	<u>260,697</u>
Expenditures:					
Lottery Disbursement	500,000	-	260,697	-	260,697
Capital Outlay - SCC	333,000	-	333,000	-	333,000
Capital Outlay - Public Schools	1,333,000	-	1,333,000	-	1,333,000
Total expenditures	<u>2,166,000</u>	<u>-</u>	<u>1,926,697</u>	<u>-</u>	<u>1,926,697</u>
Revenues over (under) expenditures	<u>\$(1,666,000)</u>	<u>\$ -</u>	<u>\$(1,666,000)</u>	<u>\$ -</u>	<u>\$(1,666,000)</u>
Other financing sources:					
Transfer from General Fund	1,666,000	-	1,666,000	-	1,666,000
Total other financing sources	<u>1,666,000</u>	<u>-</u>	<u>1,666,000</u>	<u>-</u>	<u>1,666,000</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Columbus County, North Carolina**  
**School Capital Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
<b>Revenues:</b>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	931	990	-	990
Total revenues	<u>931</u>	<u>990</u>	<u>-</u>	<u>990</u>
<b>Expenditures</b>				
Construction Cost	<u>3,133,529</u>	<u>3,133,528</u>	<u>-</u>	<u>3,133,528</u>
Revenues over (under) expenditures	<u>(3,132,598)</u>	<u>(3,132,538)</u>	<u>-</u>	<u>(3,132,538)</u>
<b>Other financing sources:</b>				
Debt Proceeds	<u>3,132,598</u>	<u>3,132,538</u>	<u>-</u>	<u>3,132,538</u>
Total other financing sources	<u>3,132,598</u>	<u>3,132,538</u>	<u>-</u>	<u>3,132,538</u>
Revenues and other sources over (under) expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## ENTERPRISE FUND

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Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

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**Columbus County, North Carolina**  
**Proprietary Funds**  
**Combining Statement of Net Position**  
**June 30, 2016**

	MAJOR						NON-MAJOR		Total
	Solid Waste	Water Fund	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>ASSETS</b>									
Current assets:									
Cash and Investments	\$ 2,861,008	\$ -	\$ 803,222	\$ 723,208	\$ 592,762	\$ 696,076	\$ 792,107	\$ 397,419	\$ 6,865,802
Taxes Receivable	1,065,907	-	20,034	12,405	-	-	-	-	1,098,346
Accounts Receivable (net)	146,401	-	128,413	79,354	59,157	152,564	90,462	-	656,351
Due from other governments	3,931	-	1,201	(500)	1,210	-	8	402	6,252
Due from Districts - Current LOBS	-	305,000	-	-	-	-	-	-	305,000
Total	<u>4,077,247</u>	<u>305,000</u>	<u>952,870</u>	<u>814,467</u>	<u>653,129</u>	<u>848,640</u>	<u>882,577</u>	<u>397,821</u>	<u>8,931,751</u>
Noncurrent assets:									
Restricted - Cash	-	-	75,149	48,754	67,545	24,875	34,495	-	250,818
Due from Districts - Non-current LOBS	-	13,135,000	-	-	-	-	-	-	13,135,000
Capital assets:									
Land and construction in process	488,139	-	3,086,457	-	2,621,834	130,092	-	-	6,326,522
Other capital assets, net of depreciation	1,151,993	-	4,332,611	4,999,032	9,431,038	7,078,791	2,073,722	-	29,067,187
Total capital assets	<u>1,640,132</u>	<u>-</u>	<u>7,419,068</u>	<u>4,999,032</u>	<u>12,052,872</u>	<u>7,208,883</u>	<u>2,073,722</u>	<u>-</u>	<u>35,393,709</u>
Total noncurrent assets	<u>1,640,132</u>	<u>13,135,000</u>	<u>7,494,217</u>	<u>5,047,786</u>	<u>12,120,417</u>	<u>7,233,758</u>	<u>2,108,217</u>	<u>-</u>	<u>48,779,527</u>
Total Assets	<u>5,717,379</u>	<u>13,440,000</u>	<u>8,447,087</u>	<u>5,862,253</u>	<u>12,773,546</u>	<u>8,082,398</u>	<u>2,990,794</u>	<u>397,821</u>	<u>57,711,278</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Contributions to pension plan in current year	9,017	-	6,859	4,801	3,658	2,286	5,259	5,242	37,122
Deferred charge on refunding	-	-	77,514	62,830	-	55,846	-	-	196,190
Total deferred outflows of resources	<u>9,017</u>	<u>-</u>	<u>84,373</u>	<u>67,631</u>	<u>3,658</u>	<u>58,132</u>	<u>5,259</u>	<u>5,242</u>	<u>233,312</u>
<b>LIABILITIES</b>									
Current liabilities:									
Accounts payable and accrued liabilities	188,275	-	-	-	1,648	-	-	16,534	206,457
Accrued Interest	-	-	20,205	14,234	15,450	13,756	-	-	63,645
Due to other funds	-	-	-	-	199,964	-	-	-	199,964
Due to County - Current portion of LOBS	-	-	125,000	105,000	-	75,000	-	-	305,000
Current Portion of Long-Term Debt	-	305,000	56,480	10,651	80,827	5,079	2,627	-	460,664
Total current liabilities	<u>188,275</u>	<u>305,000</u>	<u>201,685</u>	<u>129,885</u>	<u>297,889</u>	<u>93,835</u>	<u>2,627</u>	<u>16,534</u>	<u>1,235,730</u>
Noncurrent liabilities:									
Customer deposits	-	-	75,149	48,754	35,738	24,875	34,495	-	219,011
OPEB Liability	150,234	-	74,941	65,814	52,564	25,962	83,199	142,737	595,451
Compensated absences	14,015	-	14,184	8,632	10,524	8,396	10,376	10,918	77,045
Net pension liability	9,166	-	6,972	4,880	3,719	2,324	5,346	5,329	37,736
Due to County - Noncurrent portion of LOBS	-	-	5,025,000	4,065,000	-	4,045,000	-	-	13,135,000
Bonds, notes and leases payable	-	13,135,000	1,217,376	198,069	5,154,000	110,239	-	-	19,814,684
Total noncurrent liabilities	<u>173,415</u>	<u>13,135,000</u>	<u>6,413,622</u>	<u>4,391,149</u>	<u>5,256,545</u>	<u>4,216,796</u>	<u>133,416</u>	<u>158,984</u>	<u>33,878,927</u>
Total Liabilities	<u>361,690</u>	<u>13,440,000</u>	<u>6,615,307</u>	<u>4,521,034</u>	<u>5,554,434</u>	<u>4,310,631</u>	<u>136,043</u>	<u>175,518</u>	<u>35,114,657</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
	<u>4,817</u>	<u>-</u>	<u>3,664</u>	<u>2,565</u>	<u>1,954</u>	<u>1,221</u>	<u>2,809</u>	<u>2,800</u>	<u>19,830</u>
<b>NET POSITION</b>									
Net investment in capital assets	1,640,132	-	995,212	620,312	6,818,045	2,973,565	2,071,095	-	15,118,361
Restricted for Capital Projects	-	-	-	-	-	-	-	-	-
Unrestricted	3,719,757	-	917,277	785,973	402,771	855,113	786,106	224,745	7,691,742
Total Net Position	<u>\$ 5,359,889</u>	<u>\$ -</u>	<u>\$ 1,912,489</u>	<u>\$ 1,406,285</u>	<u>\$ 7,220,816</u>	<u>\$ 3,828,678</u>	<u>\$ 2,857,201</u>	<u>\$ 224,745</u>	<u>\$ 22,810,103</u>

**Columbus County, North Carolina**  
**Proprietary Funds**  
**Combining Statement of Revenues and Expenditures**  
**For The Fiscal Year Ended June 30, 2016**

	MAJOR						NON-MAJOR		Total
	Solid Waste	Water Fund	Water District II	Water District III	Water District IV	Water District V	Water District I	Section 8 Housing	
<b>Revenues:</b>									
<b>Operating Revenues:</b>									
Charges for Services	\$ 5,221,241	\$ -	\$ 660,544	\$ 485,048	\$ 433,910	\$ 690,025	\$ 570,744	\$ -	\$ 8,061,512
Water Taps & Reconnection Fees	-	-	26,167	14,579	20,455	36,621	28,594	-	126,416
Sewer Sales	-	-	-	-	-	16,180	-	-	16,180
Special District Taxes	-	-	22,051	23,214	-	-	-	-	45,265
Miscellaneous Revenue	-	-	33,229	11,275	14,775	125	1,597	323	61,324
<b>Total Operating Revenues</b>	<b>5,221,241</b>	<b>-</b>	<b>741,991</b>	<b>534,116</b>	<b>469,140</b>	<b>742,951</b>	<b>600,935</b>	<b>323</b>	<b>8,310,697</b>
<b>Expenditures:</b>									
<b>Operating Expenses:</b>									
Salaries and employee benefits	315,954	-	142,201	100,507	77,073	51,680	109,624	128,313	925,352
Contract Services	3,757,788	-	5,699	4,931	5,908	1,724	3,965	-	3,780,015
Engineering Services	-	-	-	-	-	-	-	-	-
Supplies	(522)	-	24,284	16,697	12,634	7,869	18,104	-	79,066
Maintenance and repairs/service	28,953	-	23,901	16,731	12,747	7,967	18,324	-	108,623
Gas Plant Operations	2,538	-	-	-	-	-	-	-	2,538
Utilities	-	-	24,120	16,211	16,893	7,662	17,622	-	82,508
Water purchases	-	-	-	-	-	131,787	7,461	-	139,248
Contract sewer purchases	-	-	-	-	-	48,433	-	-	48,433
Depreciation	51,749	-	370,344	180,749	320,384	215,858	102,634	-	1,241,718
Indirect Cost to General Fund	41,214	-	24,462	17,123	13,046	8,154	18,754	17,092	139,845
Housing assistance payments	-	-	-	-	-	-	-	1,529,019	1,529,019
Other departmental expenditures	147,275	-	103,115	58,390	16,067	26,034	18,956	19,347	389,184
Contingency	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>4,344,949</b>	<b>-</b>	<b>718,126</b>	<b>411,339</b>	<b>474,752</b>	<b>507,168</b>	<b>315,444</b>	<b>1,693,771</b>	<b>8,465,549</b>
<b>Operating income (loss)</b>	<b>876,292</b>	<b>-</b>	<b>23,865</b>	<b>122,777</b>	<b>(5,612)</b>	<b>235,783</b>	<b>285,491</b>	<b>(1,693,448)</b>	<b>(154,852)</b>
<b>Nonoperating Revenues (Expenses)</b>									
Interest Earned on Investments	-	-	-	-	-	-	-	-	-
White Goods Sales Recycles	22,678	-	-	-	-	-	-	-	22,678
State Aid	96,038	-	-	-	-	-	-	-	96,038
Operating subsidy - HUD	-	-	-	-	-	-	-	1,739,177	1,739,177
Interest Expense and Bond Issuance Cost	(538)	-	(174,334)	(122,435)	(151,114)	(257,195)	(499)	-	(706,115)
Grant Proceeds	-	-	-	-	-	-	-	-	-
Miscellaneous Revenue	49,062	-	-	-	-	-	-	2,061	51,123
<b>Total Nonoperating Revenues (Expenses)</b>	<b>167,240</b>	<b>-</b>	<b>(174,334)</b>	<b>(122,435)</b>	<b>(151,114)</b>	<b>(257,195)</b>	<b>(499)</b>	<b>1,741,238</b>	<b>1,202,901</b>
<b>Income (Loss) before contributions and transfers</b>	<b>1,043,532</b>	<b>-</b>	<b>(150,469)</b>	<b>342</b>	<b>(156,726)</b>	<b>(21,412)</b>	<b>284,992</b>	<b>47,790</b>	<b>1,048,049</b>
Transfers in (out)	-	-	(89,837)	(76,230)	-	-	-	-	(166,067)
Reimbursements	-	-	68,489	-	41,161	-	-	-	109,650
Capital Contributions	-	-	-	-	417,633	-	-	-	417,633
Change in net position	1,043,532	-	(171,817)	(75,888)	302,068	(21,412)	284,992	47,790	1,409,265
<b>Total net position, Beginning</b>	<b>4,591,100</b>	<b>-</b>	<b>1,871,932</b>	<b>1,420,391</b>	<b>7,243,324</b>	<b>3,948,538</b>	<b>2,859,740</b>	<b>176,955</b>	<b>22,111,980</b>
Prior Period Adjustment	(274,743)	-	212,374	61,782	(324,576)	(98,448)	(287,531)	-	(711,142)
<b>Net position, beginning, restated</b>	<b>4,316,357</b>	<b>-</b>	<b>2,084,306</b>	<b>1,482,173</b>	<b>6,918,748</b>	<b>3,850,090</b>	<b>2,572,209</b>	<b>176,955</b>	<b>21,400,838</b>
<b>Total net position, End of Year</b>	<b>\$ 5,359,889</b>	<b>\$ -</b>	<b>\$ 1,912,489</b>	<b>\$ 1,406,285</b>	<b>\$ 7,220,816</b>	<b>\$ 3,828,678</b>	<b>\$ 2,857,201</b>	<b>\$ 224,745</b>	<b>\$ 22,810,103</b>

**Columbus County, North Carolina**  
**Solid Waste - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

Exhibit E-3

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Operating Revenues	\$ 5,278,652	\$ 5,221,241	\$ (57,411)
Total operating revenues	5,278,652	5,221,241	(57,411)
<b>Nonoperating revenues:</b>			
Interest Earned on Investments	-	-	-
White Goods Sales Recycles	20,000	22,678	2,678
State Aid - Tire Disposal	76,000	76,433	433
State Aid - White Goods	23,000	19,605	(3,395)
NC ENR Recycling Grant	-	-	-
Miscellaneous Revenue	6,100	49,062	42,962
Total Nonoperating Revenues	125,100	167,778	42,678
Total Revenues	5,403,752	5,389,019	(14,733)
<b>Expenditures:</b>			
<b>Solid Waste Operations:</b>			
Salaries and employee benefits	321,517	293,306	28,211
Contract Services	4,068,832	3,757,788	311,044
Supplies	4,000	(522)	4,522
Maintenance and repairs	77,000	28,953	48,047
Solid Waste Disposal Fees	-	-	-
Gas Plant Operations	65,000	2,538	62,462
Contribution of Indirect Cost	41,214	41,214	-
Other departmental expenditures	168,783	129,310	39,473
Total solid waste operations	4,746,346	4,252,587	493,759
<b>Debt Service:</b>			
Interest and other charges	567	538	29
Principal on Lease	10,549	10,383	166
Total	11,116	10,921	195
Capital Outlay	225,000	188,043	36,957
Total Expenditures	4,982,462	4,451,551	530,911
Revenues over Expenditures	421,290	937,468	516,178
<b>Other Financing Sources (Uses):</b>			
Transfers from (to) Other Funds			
General Fund	-	-	-
Fund Balance Appropriated	(421,290)	-	421,290
Total Other Financing Sources (Uses)	(421,290)	-	421,290
Revenues and other financing sources (uses) over expenditures	\$ -	\$ -	\$ -
<b>Reconciliation from budgetary basis (modified) accrual to full accrual:</b>			
Revenues over Expenditures and other financing sources		\$ 937,468	
Principal on Lease		10,383	
Capital Outlay		170,078	
Contributions made to the pension plan in the current fiscal year		7,543	
Pension Expense		(5,078)	
OPEB Expense		(25,113)	
Depreciation		(51,749)	
Total reconciling items		106,064	
Change in net position		\$ 1,043,532	

**Columbus County, North Carolina**  
**General Water Fund - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Payment from Districts - Investment Income	\$ 276,444	\$ 276,444	\$ -
Payment from Districts - Principal	295,000	295,000	-
Total Revenues	<u>571,444</u>	<u>571,444</u>	<u>-</u>
<b>Expenditures:</b>			
Debt Service Payments:			
Principal	295,000	295,000	-
Interest	276,444	276,444	-
Total	<u>571,444</u>	<u>571,444</u>	<u>-</u>
Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from (to) Other Funds			
General Fund	-	-	-
Fund Balance Appropriated	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Columbus County, North Carolina**  
**Water District I - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Sales	\$ 337,980	\$ 549,381	\$ 211,401
Water Taps & Reconnection Fees	25,405	28,594	3,189
Penalties	12,368	21,363	8,995
Miscellaneous Revenue	700	1,597	897
Total Operating Revenues	<u>376,453</u>	<u>600,935</u>	<u>224,482</u>
Nonoperating revenues:			
Interest Earned on Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>376,453</u>	<u>600,935</u>	<u>224,482</u>
Expenditures:			
Water Operations:			
Salaries and employee benefits	105,686	104,854	832
Contract Services	6,544	3,965	2,579
Supplies	15,193	18,104	(2,911)
Utilities	14,950	17,622	(2,672)
Maintenance and repairs/service	24,730	18,324	6,406
Water purchases	7,500	7,461	39
Contribution of Indirect Costs	18,755	18,754	1
Other departmental expenditures	26,449	18,956	7,493
Total water operations expenditures	<u>219,807</u>	<u>208,040</u>	<u>11,767</u>
Debt Service			
Principal	6,200	11,636	(5,436)
Interest	68,952	499	68,453
Total	<u>75,152</u>	<u>12,135</u>	<u>63,017</u>
Capital Outlay	<u>288,490</u>	<u>-</u>	<u>288,490</u>
Total Expenditures	<u>583,449</u>	<u>220,175</u>	<u>363,274</u>
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	-	-	-
Installment purchase obligations issued	-	-	-
Appropriated Fund Balance	206,996	-	(206,996)
Total Other Financing Sources (Uses)	<u>206,996</u>	<u>-</u>	<u>(206,996)</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>380,760</u>	<u>\$ 380,760</u>

**Columbus County, North Carolina**  
**Water District I - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Reconciliation form budgetary basis (modified)</b>			
<b>accrual to full accrual:</b>			
Revenues and other financing sources (uses)			
over expenditures		380,760	
Depreciation		(102,634)	
OPEB Expense		(7,544)	
Contributions made to the pension			
plan in the current fiscal year		5,735	
Pension Expense		(2,961)	
Debt principal		11,636	
Capital outlay		-	
Total reconciling items		(95,768)	
Change in net position		\$ 284,992	

**Columbus County, North Carolina**  
**Water District II - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	\$ 589,561	\$ 660,544	\$ 70,983
Water Taps & Reconnection Fees	35,351	26,167	(9,184)
Special District Taxes	17,352	22,051	4,699
Penalties	-	32,569	32,569
Miscellaneous Revenue	700	660	(40)
Total Operating Revenues	<u>642,964</u>	<u>741,991</u>	<u>99,027</u>
<b>Nonoperating revenues:</b>			
Interest Earned on Investments	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>642,964</u>	<u>741,991</u>	<u>99,027</u>
<b>Expenditures:</b>			
<b>Water Operations:</b>			
Salaries and employee benefits	116,949	135,433	(18,484)
Contract Services	8,719	5,699	3,020
Supplies	19,574	24,284	(4,710)
Utilities	20,800	24,120	(3,320)
Maintenance and Repairs	31,112	23,901	7,211
Contribution of Indirect Costs	24,500	24,462	38
Other departmental expenditures	112,728	103,115	9,613
Total Expenditures	<u>334,382</u>	<u>341,014</u>	<u>(6,632)</u>
<b>Debt Service</b>			
Principal	170,227	165,613	4,614
Interest	193,012	147,890	45,122
Bond Issuance Cost	-	26,444	(26,444)
Total	<u>363,239</u>	<u>339,947</u>	<u>23,292</u>
<b>Capital Outlay</b>	<u>500,000</u>	<u>335,799</u>	<u>164,201</u>
<b>Total Expenditures</b>	<u>1,197,621</u>	<u>1,016,760</u>	<u>180,861</u>

**Columbus County, North Carolina**  
**Water District II - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	(89,837)	(89,837)	-
Proceeds from Refunding	63,000	-	(63,000)
Refunding Bonds Issued	-	5,275,000	5,275,000
Premium	-	266,559	266,559
Payment to Bond Holders	-	(5,515,115)	(5,515,115)
Appropriated Fund Balance	581,494	-	(581,494)
Total Other Financing Sources (Uses)	<u>554,657</u>	<u>(63,393)</u>	<u>(618,050)</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	(338,162)	<u>(338,162)</u>
<b>Reconciliation form budgetary basis (modified) accrual to full accrual:</b>			
Revenues over Expenditures and other financing sources		<u>(338,162)</u>	
Depreciation		(370,344)	
OPEB Expense		(9,840)	
Refunding bonds issued		(5,275,000)	
Premium		(266,559)	
Payment to bond holders		5,515,115	
Contributions made to the pension plan in the current fiscal year		6,935	
Pension Expense		(3,863)	
Debt principal		165,613	
Capital outlay		335,799	
Sales and Use Tax Refund (Ex E-6a)		68,489	
Transfer (from Exhibit E-5a)		-	
Total reconciling items		<u>166,345</u>	
Change in net position		\$ <u>(171,817)</u>	

**Columbus County, North Carolina**  
**Water District II - Interconnect - Capital Project Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2016**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>Revenues:</b>				
State Water Revolving Grant	\$ 1,500,908	\$ 1,500,908	\$ -	\$ 1,500,908
Sales and Use Tax Refund	-	-	68,489	68,489
Water Tap On Fees	-	-	-	-
Total Revenue	<u>1,500,908</u>	<u>1,500,908</u>	<u>68,489</u>	<u>1,569,397</u>
<b>Expenditures:</b>				
Construction	2,353,093	2,305,576	30,366	2,335,942
Legal Services/Professional	15,000	4,000	-	4,000
Engineering Design/Survey	125,000	101,229	7,301	108,530
Inspection Fees	100,000	100,000	-	100,000
Permitting Fees	3,000	2,645	-	2,645
Administrative Costs	15,000	16,991	-	16,991
Contingency	195,042	120,411	62,140	182,551
Total Expenditures	<u>2,806,135</u>	<u>2,650,852</u>	<u>99,807</u>	<u>2,750,659</u>
Revenues Over (Under) Expenditures	<u>(1,305,227)</u>	<u>(1,149,944)</u>	<u>(31,318)</u>	<u>(1,181,262)</u>
<b>Other Financing Sources (Uses):</b>				
State Water Revolving Loan	375,227	375,227	-	375,227
Transfer from General Fund	930,000	930,000	-	930,000
Total Other Financing Sources (Uses)	<u>1,305,227</u>	<u>1,305,227</u>	<u>-</u>	<u>1,305,227</u>
Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 155,283</u>	<u>\$ (31,318)</u>	<u>\$ 123,965</u>

**Columbus County, North Carolina**  
**Water District III - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	\$ 462,994	\$ 485,048	\$ 22,054
Water Taps & Reconnection Fees	20,987	14,579	(6,408)
Special District Tax	-	23,214	23,214
Penalties	10,155	10,975	820
Miscellaneous Revenue	700	300	(400)
Total Operating Revenues	<u>494,836</u>	<u>534,116</u>	<u>39,280</u>
<b>Nonoperating revenues:</b>			
Interest Earned on Investments	-	-	-
Total Nonoperating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>494,836</u>	<u>534,116</u>	<u>39,280</u>
<b>Expenditures:</b>			
<b>Water Operations:</b>			
Salaries and employee benefits	96,370	96,171	199
Contract Services	7,830	4,931	2,899
Supplies	12,038	16,697	(4,659)
Utilities	12,350	16,211	(3,861)
Maintenance and repairs/service	22,980	16,731	6,249
Contribution of Indirect Costs	17,125	17,123	2
Other departmental expenditures	65,650	58,390	7,260
Total Operating Expenditures	<u>234,343</u>	<u>226,254</u>	<u>8,089</u>
<b>Debt Service</b>			
Principal	84,851	110,486	(25,635)
Interest	134,692	108,203	26,489
Bond Issuance Cost	-	14,232	(14,232)
Total	<u>219,543</u>	<u>232,921</u>	<u>(13,378)</u>
<b>Capital Outlay</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>453,886</u>	<u>459,175</u>	<u>(5,289)</u>

**Columbus County, North Carolina**  
**Water District III - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	(76,230)	(76,230)	-
Proceeds from Bond Refunding	35,280	-	(35,280)
Refunding Bonds Issued		4,270,000	4,270,000
Premium	-	268,066	268,066
Payment to Bond Holders	-	(4,470,343)	(4,470,343)
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	<u>(40,950)</u>	<u>(8,507)</u>	<u>32,443</u>
Revenues and other financing sources (uses) over expenditures	\$ <u>-</u>	66,434	\$ <u>66,434</u>

**Reconciliation from budgetary basis (modified)  
accrual to full accrual:**

Revenues over Expenditures and other financing sources	<u>66,434</u>
Depreciation	(180,749)
OPEB Expense	(6,888)
Refunding bonds issued	(4,270,000)
Premium	(268,066)
Payment to bond holders	4,470,343
Contributions made to the pension plan in the current fiscal year	5,256
Pension Expense	(2,704)
Capital outlay	-
Debt Principal	<u>110,486</u>
Total reconciling items	<u>(142,322)</u>
Change in net position	\$ <u>(75,888)</u>

**Columbus County, North Carolina**  
**Water District IV - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	\$ 408,180	\$ 433,910	\$ 25,730
Water Taps & Reconnection Fees	17,489	20,455	2,966
Penalties	10,155	14,725	4,570
Miscellaneous Revenue	700	50	(650)
Total Operating Revenues	<u>436,524</u>	<u>469,140</u>	<u>32,616</u>
<b>Nonoperating revenues:</b>			
Interest Earned on Investments	-	-	-
Total Revenues	<u>436,524</u>	<u>469,140</u>	<u>32,616</u>
<b>Expenditures:</b>			
<b>Water Operations:</b>			
Salaries and employee benefits	73,789	73,589	200
Contract Services	9,636	5,908	3,728
Utilities	10,400	16,893	(6,493)
Supplies	10,145	12,634	(2,489)
Maintenance and repairs	17,535	12,747	4,788
Bulk Water Purchases	-	-	-
Indirect Cost	13,005	13,046	(41)
Other departmental expenditures	20,651	16,067	4,584
Total Expenditures	<u>155,161</u>	<u>150,884</u>	<u>4,277</u>
Capital Outlay	-	-	-
<b>Debt Service</b>			
Principal	61,314	64,623	(3,309)
Interest	190,560	151,114	39,446
Bond Issuance Cost	-	-	-
Total	<u>251,874</u>	<u>215,737</u>	<u>36,137</u>
Total Expenditures	<u>407,035</u>	<u>366,621</u>	<u>40,414</u>
<b>Other Financing Sources (Uses):</b>			
<b>Transfers from (to) Other Funds</b>			
Capital Projects	(29,489)	-	29,489
Installment purchase obligations issued	-	-	-
Appropriated Fund Balance	-	-	-
Total Other Financing Sources (Uses)	<u>(29,489)</u>	<u>-</u>	<u>29,489</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>102,519</u>	<u>\$ 102,519</u>



**Columbus County, North Carolina**  
**Water District IV - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

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**Reconciliation from budgetary basis (modified)  
accrual to full accrual:**

Revenues over Expenditures and other financing sources	<u>102,519</u>
Depreciation	(320,384)
OPEB Expense	(5,248)
Contributions made to the pension plan in the current fiscal year	3,824
Pension Expense	(2,060)
Principal Payments	64,623
Capital Outlay	-
Capital Contributions (from Exhibit E-8a)	417,633
Sales Tax Refund (from Exhibit E-8a)	41,161
Transfer (from Exhibit E-8a)	<u>-</u>
Total reconciling items	<u>199,549</u>
Change in net position	<u>\$ 302,068</u>

**Columbus County, North Carolina**  
**Water District IV - Hallsboro Project - Capital Project Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2016**

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>Revenues:</b>				
USDA Grant	\$ 1,119,300	\$ 637,089	\$ 417,633	\$ 1,054,722
Sales and Use Tax Refund	-	-	41,161	41,161
Interest Income	-	-	-	-
Total Revenue	<u>1,119,300</u>	<u>637,089</u>	<u>458,794</u>	<u>1,095,883</u>
<b>Expenditures:</b>				
Construction	2,240,189	1,999,754	381,492	2,381,246
Other Professional Services	-	25,000	-	25,000
Inspection Fees	160,600	-	-	-
Geotechnical Contract	7,200	6,382	-	6,382
Easement Surveys	4,168	-	-	-
Permitting Fees	1,030	2,668	-	2,668
Land	17,547	17,347	-	17,347
Legal Fees	35,000	23,750	-	23,750
Interest during Construction	30,000	6,133	3,067	9,200
Miscellaneous Expense	-	1,104	-	1,104
Contingency	25,266	8,650	21,187	29,837
Total Expenditures	<u>2,521,000</u>	<u>2,090,788</u>	<u>405,746</u>	<u>2,496,534</u>
Revenues Over (Under) Expenditures	<u>(1,401,700)</u>	<u>(1,453,699)</u>	<u>53,048</u>	<u>(1,400,651)</u>
<b>Other Financing Sources (Uses):</b>				
General Obligation Bonds	1,337,000	1,337,000	-	1,337,000
Loan from General Fund	-	350,000	(150,000)	200,000
Transfer from General Fund	-	-	-	-
Transfer from Water District IV	64,700	-	-	-
Total Other Financing Sources (Uses)	<u>1,401,700</u>	<u>1,687,000</u>	<u>(150,000)</u>	<u>1,537,000</u>
Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>233,301</u>	\$ <u>(96,952)</u>	\$ <u>136,349</u>

**Columbus County, North Carolina**  
**Water District V - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Operating Revenues:</b>			
Water Sales	\$ 532,291	\$ 681,430	\$ 149,139
Water Taps & Reconnection Fees	10,768	36,621	25,853
Sewer Sales	25,500	16,180	(9,320)
Penalties	4,971	8,595	3,624
Miscellaneous Revenue	700	125	(575)
Total Operating Revenues	<u>574,230</u>	<u>742,951</u>	<u>168,721</u>
<b>Nonoperating revenues:</b>			
Interest Earned on Investments	-	-	-
Total Nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>574,230</u>	<u>742,951</u>	<u>168,721</u>
<b>Expenditures:</b>			
<b>Water Operations:</b>			
Salaries and employee benefits	46,483	49,267	(2,784)
Contract Services	7,271	1,724	5,547
Utilities	6,500	7,662	(1,162)
Bulk Water Purchases	132,500	131,787	713
Supplies	5,984	7,869	(1,885)
Maintenance and repairs	11,066	7,967	3,099
Contract Sewer Purchases	25,500	48,433	(22,933)
Contribution of Indirect Costs	8,154	8,154	-
Other departmental expenditures	71,751	26,034	45,717
Contingency	-	-	-
Total Expenditures	<u>315,209</u>	<u>288,897</u>	<u>26,312</u>
<b>Debt Service</b>			
Principal	83,767	74,864	8,903
Interest	225,674	85,904	139,770
Bond Issuance Cost	-	22,341	(22,341)
Total	<u>309,441</u>	<u>183,109</u>	<u>126,332</u>
<b>Capital Outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>624,650</u>	<u>472,006</u>	<u>152,644</u>
Revenues over (under) expenditures	<u>(50,420)</u>	<u>270,945</u>	<u>321,365</u>

**Columbus County, North Carolina**  
**Water District V - Enterprise Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non GAAP)**  
**For The Fiscal Year Ended June 30, 2016**

<b>Other Financing Sources (Uses):</b>			
Transfers from (to) Other Funds			
Water District I	-	-	-
Proceeds from Debt Issuance	50,420	-	50,420
Refunding Bonds Issued	-	4,190,000	-
Premium	-	118,113	-
Payment to Bond Holders	-	(4,285,772)	-
Fund Balance Appropriated	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>50,420</u>	<u>22,341</u>	<u>50,420</u>
Revenues and other financing sources (uses)	\$ -	293,286	\$ 371,785

**Reconciliation form budgetary basis (modified)  
accrual to full accrual:**

Revenues over Expenditures and other financing sources	<u>293,286</u>
Depreciation	(215,858)
OPEB Expense	(3,280)
Refunding bonds issued	(4,190,000)
Premium	(118,113)
Payment to bond holders	4,285,772
Contributions made to the pension plan in the current fiscal year	2,154
Pension Expense	(1,287)
Principal on Debt	74,086
Capital Outlay	<u>-</u>
Total reconciling items	<u>(166,526)</u>
Change in net position	<u>\$ 126,760</u>

**Columbus County, North Carolina**  
**Water District V - Capital Project Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2016**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Out Project	
<b>Revenues:</b>					
USDA Grant	\$ 1,987,000	\$ -	\$ -	\$ -	\$ -
Sales and Use Tax	65,000	-	-	-	-
Investment Earnings	-	-	-	-	-
Total Revenue	<u>2,052,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Professional Services	25,000	-	-	-	-
Construction	5,931,664	111,342	-	-	111,342
Engineer Design / Survey	319,219	-	-	-	-
Engineer - Resident Inspection	211,120	-	-	-	-
Contingency	23,997	18,750	-	-	18,750
C/O - Land & Right of Way	19,000	-	-	-	-
Interest during Construction	136,000	-	-	-	-
Total Expenditures	<u>6,666,000</u>	<u>130,092</u>	<u>-</u>	<u>-</u>	<u>130,092</u>
Revenues Over (Under) Expenditures	<u>(4,614,000)</u>	<u>(130,092)</u>	<u>-</u>	<u>-</u>	<u>(130,092)</u>
<b>Other Financing Sources (Uses):</b>					
General Obligation Bonds	4,564,000	-	-	-	-
Local Match	50,000	-	-	-	-
Transfer to WD V	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>4,614,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>(130,092)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(130,092)</u>

**Columbus County, North Carolina**  
**Section 8 Housing Assistance Payments Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Nonoperating revenues			
Operating subsidy - HUD	\$ 1,744,143	\$ 1,739,177	\$ (4,966)
Fraud Recovery	1,000	2,061	1,061
Miscellaneous	500	323	(177)
Total Revenues	<u>1,745,643</u>	<u>1,741,561</u>	<u>(4,082)</u>
<b>Expenditures</b>			
Administration			
Salaries and benefits	127,979	121,961	6,018
Indirect Cost	20,493	17,092	3,401
Operating expenditures	52,814	19,347	33,467
Total administration	<u>201,286</u>	<u>158,400</u>	<u>42,886</u>
Housing assistance payments	<u>1,544,357</u>	<u>1,529,019</u>	<u>15,338</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,745,643</u>	<u>1,687,419</u>	<u>58,224</u>
Revenues over expenditures	<u>-</u>	<u>54,142</u>	<u>54,142</u>
Other Financing Sources (Uses):			
Transfers from (to) Other Funds			
General Fund	-	-	-
Capital Contribution	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	54,142	<u>\$ 54,142</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital Outlay		-	
OPEB Expense		(8,224)	
Contributions made to the pension plan in the current fiscal year		4,824	
Pension Expense		(2,952)	
Depreciation		-	
Total reconciling items		<u>(6,352)</u>	
Change in net position		<u>\$ 47,790</u>	

## AGENCY FUNDS

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Agency funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds.

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**Columbus County, North Carolina**  
**Agency Fund**  
**Combining Statement of Net Position**  
**June 30, 2016**

Exhibit F-1

	Columbus County 4-H Fund	Social Services Fund	Sheriff's Civil Division	Inmates Trust Fund	Home Loan Trust Fund	Explorer Post 513	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ 5,588	\$ 102,355	\$ 2,475	\$ 206,541	\$ (2,010)	\$ 5,024	\$ 319,973
Due from other governments	-	-	-	-	-	17	17
Total Assets	<u>\$ 5,588</u>	<u>\$ 102,355</u>	<u>\$ 2,475</u>	<u>\$ 206,541</u>	<u>\$ (2,010)</u>	<u>\$ 5,041</u>	<u>\$ 319,990</u>
<b>Liabilities and Net Position</b>							
Liabilities	\$ 5,588	\$ 102,355	\$ 2,475	\$ 206,541	\$ (2,010)	\$ 5,041	\$ 319,990
Net Position	-	-	-	-	-	-	-
Total Liabilities and Net Position	<u>\$ 5,588</u>	<u>\$ 102,355</u>	<u>\$ 2,475</u>	<u>\$ 206,541</u>	<u>\$ (2,010)</u>	<u>\$ 5,041</u>	<u>\$ 319,990</u>



**Columbus County, North Carolina  
Agency Fund**

Exhibit F-2

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended June 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
<b><u>COLUMBUS COUNTY 4-H FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ 5,517	\$ 3,129	\$ 3,058	\$ 5,588
Liabilities:				
Miscellaneous Liabilities	\$ 5,517	\$ 3,058	\$ 3,129	\$ 5,588
<b><u>SOCIAL SERVICES FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ 68,313	\$ 596,682	\$ 562,640	\$ 102,355
Liabilities:				
Miscellaneous Liabilities	\$ 68,313	\$ 562,640	\$ 596,682	\$ 102,355
<b><u>SHERIFF'S CIVIL DIVISION</u></b>				
Assets:				
Cash and cash equivalents	\$ 700	\$ 139,772	\$ 137,997	\$ 2,475
Liabilities:				
Miscellaneous Liabilities	\$ 700	\$ 137,997	\$ 139,772	\$ 2,475
<b><u>INMATES TRUST FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ 153,073	\$ 403,360	\$ 349,892	\$ 206,541
Liabilities:				
Miscellaneous Liabilities	\$ 153,073	\$ 349,892	\$ 403,360	\$ 206,541
<b><u>HOME LOAN TRUST FUND</u></b>				
Assets:				
Cash and cash equivalents	\$ (3,304)	\$ 1,294	\$ -	\$ (2,010)
Liabilities:				
Miscellaneous Liabilities	\$ (3,304)	\$ -	\$ 1,294	\$ (2,010)
<b><u>EXPLORER POST 513</u></b>				
Assets:				
Cash and cash equivalents	\$ 5,593	\$ 32	\$ 601	\$ 5,024
Due from other governments	\$ -	\$ 17	\$ -	\$ 17
Liabilities:				
Miscellaneous Liabilities	\$ 5,593	\$ 601	\$ 49	\$ 5,041
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and cash equivalents	\$ 229,892	\$ 1,144,269	\$ 1,054,188	\$ 319,973
Due from other governments	\$ -	\$ 17	\$ -	\$ 17
Liabilities:				
Miscellaneous Liabilities	\$ 229,892	\$ 1,054,188	\$ 1,144,286	\$ 319,990

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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**Columbus County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2016**

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2015</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2016</u>
2015-2016	\$ -	\$ 29,236,807	\$ 28,468,257	\$ 768,550
2014-2015	639,648	-	328,554	311,094
2013-2014	590,184	-	190,460	399,724
2012-2013	536,086	-	89,704	446,382
2011-2012	398,120	-	58,284	339,836
2010-2011	366,059	-	29,658	336,401
2009-2010	139,619	-	21,211	118,408
2008-2009	120,668	-	11,443	109,225
2007-2008	107,910	-	10,389	97,521
2006-2007	101,063	-	9,939	91,124
2005-2006	83,979	-	83,979	-
Totals	<u>\$ 3,083,336</u>	<u>\$ 29,236,807</u>	<u>\$ 29,301,878</u>	<u>\$ 3,018,265</u>
				<u>1,040,700</u>
				<u>\$ 1,977,565</u>
 <u>Reconciliation with revenues:</u>				
				\$ 29,272,549
				Reconciling items:
				Penalties and Interest (513,807)
				Discounts, Releases, Refunds 543,136
				<u>\$ 29,301,878</u>

**Columbus County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**For the Fiscal Year Ended June 30, 2016**

Exhibit G-2

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 3,631,901,491	0.805	\$ 29,236,807	\$ 26,064,333	\$ 3,172,474
Totals	<u>\$ 3,631,901,491</u>				
Net levy			29,236,807	26,064,333	3,172,474
Uncollected taxes at June 30, 2016			<u>768,550</u>	<u>760,335</u>	<u>8,215</u>
Current year's taxes collected			<u>\$ 28,468,257</u>	<u>\$ 25,303,998</u>	<u>\$ 3,164,259</u>
Current levy collection percentage			<u>97.37%</u>	<u>97.08%</u>	<u>99.74%</u>

## COMPLIANCE SECTION



Report On Internal Control Over Financial Reporting And On Compliance and  
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With  
*Government Auditing Standards*

Independent Auditors' Report

To the Board of County Commissioners  
Columbus County  
Whiteville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Columbus County, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprises Columbus County's basic financial statements, and have issued our report thereon dated February 6, 2017. Our report includes a reference to other auditors who audited the financial statements of the Columbus Regional Healthcare System as described in our report on Columbus County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Columbus Regional Healthcare System and Columbus County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbus County's internal control over financial reporting (internal control) to determine the audit procedure that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbus County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be a material weakness [2016-01].

Report On Internal Control Over Financial Reporting  
And On Compliance and Other Matters Based On An  
Audit Of Financial Statements Performed In Accordance With  
*Government Auditing Standards*

Page 2

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be significant deficiencies [2016-02].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbus County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Columbus County's Response to Findings

Columbus County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

Thompson, Price, Scott, Adams & Co., P.A.

Whiteville, NC

February 6, 2017



**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

Report On Compliance With Requirements Applicable To Each Major Federal  
Program And Internal Control Over Compliance In Accordance With OMB  
Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners  
Columbus County  
Whiteville, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Columbus County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Columbus County's major federal programs for the year ended June 30, 2016. Columbus County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Columbus County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Columbus County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Columbus County compliance.



## Opinion on Each Major Federal Program

In our opinion, Columbus County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

## Report on Internal Control Over Compliance

Management of Columbus County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Columbus County's internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
February 6, 2017



Report On Compliance With Requirements Applicable To Each Major State  
Program And Internal Control Over Compliance In Accordance With OMB  
Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County Commissioners  
Columbus County  
Whiteville, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Columbus County, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Columbus County's major state programs for the year ended June 30, 2016. Columbus County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Columbus County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Columbus County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Columbus County's compliance.

## Opinion on Each Major State Program

In our opinion, Columbus County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

## Report on Internal Control Over Compliance

Management of Columbus County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Columbus County's internal control over compliance with the types of requirements that could have and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
February 6, 2017

COLUMBUS COUNTY, NORTH CAROLINA  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2016

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Section I. Summary of Auditors' Results

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Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material Weakness(es) identified?                    X yes                    \_\_\_no
- Significant Deficiency(s) identified?                \_\_\_yes                    X none reported
- Noncompliance material to financial statements noted                    \_\_\_yes                    X no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified?                    \_\_\_yes                    X no
- Significant Deficiency(s) identified?                \_\_\_yes                    X none reported
- Noncompliance material to federal awards                    \_\_\_yes                    X no

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                    \_\_\_yes                    X no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
93.778	Title XIX Medicaid

Dollar threshold used to distinguish between Type A and Type B Programs                    \$    2,630,477

Auditee qualified as low-risk auditee?                    \_\_\_yes                    X no

COLUMBUS COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2016

State Awards

Internal control over major State programs:

- Material Weakness(es) identified?                    \_\_\_yes                    Xno
- Significant Deficiency(s) identified?                \_\_\_yes                    Xnone reported
- Noncompliance material to State awards            \_\_\_yes                    Xno

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act                    \_\_\_yes                    Xno

Identification of major State programs:

Program Name  
SC/SA Domiciliary Care

COLUMBUS COUNTY, NORTH CAROLINA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2016

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Section II. Financial Statement Findings

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**Finding 2016-01**                      **Reconciliation of Records**

MATERIAL WEAKNESS

Criteria: Records should be reconciled timely.

Condition: The records (including bank reconciliations) were not timely reconciled. There were some accounts and balances that were not reconciled until five months after the close of the year.

Effect: Errors and other problems could occur and not be detected by management in a timely manner and could impact management's ability to have accurate information for decisions.

Cause: Other job duties took precedence over reconciling the records timely.

Recommendation: Of all of the duties of the finance staff, timely reconciliations of bank statements and general ledger accounts is very important. The Board should implement internal control procedures that will monitor accounts to ensure that accounts are timely reconciled to strengthen internal controls within the County.

Views of responsible officials and planned corrective actions: The County agrees with this finding. Efforts will be made to ensure timely reconciliations in the future.

**Finding 2016-02**                      **Prior Period Adjustments**

SIGNIFICANT DEFICIENCY

Criteria: AU-C 260 requires communication of certain matters related to internal control over financial reporting.

Condition: The Board recorded several prior period adjustments to correct beginning balances.

Effect: This is an indicator of a control deficiency that is regarded as a significant deficiency.

Cause: Prior year balances were not properly adjusted, so several adjustments were made to correct the beginning balances. See Note XI for detailed descriptions of the adjustments.

Recommendation: The Board should implement internal control procedures that will require periodic reviews of balance sheet accounts to ensure that balances are correct.

Views of responsible officials and planned corrective actions: The County agrees with this finding. Efforts will be made to ensure timely reviews in the future.

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Section III. Federal Award Findings and Questioned Costs

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None Reported.

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Section IV. State Award Findings and Questioned Costs

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None Reported.

COLUMBUS COUNTY, NORTH CAROLINA  
Corrective Action Plan  
For the Year Ended June 30, 2016

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Section II - Financial Statement Findings

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Finding: 2016-01                      Reconciliation of Records

Name of contact person: Bobbie Faircloth, Finance Officer

Corrective Action: The County recognizes the importance of timely reconciliations and will make all efforts to reconcile all accounts and bank accounts earlier in the future.

Proposed Completion Date: Immediately

Finding: 2016-02                      Prior Period Adjustment

Name of contact person: Bobbie Faircloth, Finance Officer

Corrective Action: The County will review the financial statements and ensure that balances are correct prior to issuance of the financial statements.

Proposed Completion Date: Immediately

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Section III - Federal Award Findings and Question Costs

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None Reported.

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Section IV - State Award Findings and Question Costs

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None Reported

COLUMBUS COUNTY, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2016

2015-01 Reconciliation of Records

This finding was repeated as 2016-01.



Columbus County, North Carolina  
Schedule of Expenditures of  
Federal and State Awards  
For The Fiscal Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
<b>Federal Awards:</b>						
<b>U. S. Department of Agriculture</b>						
Passed-through N.C. Dept. of Health and Human Services						
Division of Social Services:						
Administration:						
Supplemental Nutrition Assistance Program Cluste						
State Administrative Matching Grants	10.561		\$ 545,548	\$ -	\$ -	\$ 545,548
E&T and Dependent Care	10.561		5	-	-	5
Fraud	10.561		7,649	-	-	7,649
Total Supplemental Nutrition Assistance Program Cluste:			<u>553,202</u>	<u>-</u>	<u>-</u>	<u>553,202</u>
Passed-through N.C. Dept. of Health and Human Services						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		370,173	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program for Women, Infants and Children - Administration	10.557		1,412,560	-	-	-
Direct Program						
Water and Waste Water Disposal Systems for Rural Communities	10.760		417,633	-	-	-
<b>Total U.S. Dept. of Agriculture</b>			<u>2,753,568</u>	<u>-</u>	<u>-</u>	<u>553,202</u>
<b>U.S. Dept. of Health and Human Services</b>						
Passed-through N.C. Dept. of Health and Human Services						
Division of Public Health:						
Center for Disease Control and Prevention						
Public Health Emergency Preparedness	93.069		35,802	-	-	-
Hospital Preparedness Program and Public Health Emergency						
Preparedness Aligned Cooperative Agreements	93.074		15,000	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Func						
Preventive Health Services Sexually Transmitted Disease Control Grants	93.758		30,991	-	-	-
Coop Agreement for Breast and Cervical Cancer	93.977		510	-	-	-
	93.919		9,329	-	-	-
HIV Prevention Activities, Health Department Basec						
Project Grants and Cooperative Agreements for Tuberculosis Control	93.940		2,000	-	-	-
Immunization Grants	93.116		43	-	-	-
	93.268		14,060	-	-	-
Office of Population Affairs						
Family Planning Services	93.217		50,443	-	-	-
Administration of Children and Families						
passed through N.C. Dept. of Health and Human Services						
Temporary Assistance for Needy Families	93.558		2,813	-	-	-
Health Resources and Service Administration						
passed through N. C. Dept. of Health and Human Serv						
Division of Public Health:						
Maternal and Child Health Services Block Grant	93.994		199,708	61,804	-	-
<b>Total Public Health</b>			<u>360,699</u>	<u>61,804</u>	<u>-</u>	<u>-</u>
Division of Social Services:						
Low Income Energy Assistance						
Administration	93.568		52,284	-	-	-
Crisis Intervention Payments	93.568		326,768	-	-	-
Energy Assistance - Direct Benefit Paymen	93.568		324,115	-	-	-
Total Low-Income Energy Assistance			<u>703,167</u>	<u>-</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program						
Permanency Planning	93.645		448	-	-	149

**Columbus County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2016**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
Temporary Assistance Needy Families Cluste						
Temporary Assistance Needy Families-Admin	93.558		60,958	-	-	153,658
Temporary Assistance Needy Families -Service:	93.558		483,881	-	-	518,472
TANF/Work First Service-Direct Benefi	93.558		535,810	-	-	2,024
Total TANF Cluster			<u>1,080,649</u>	<u>-</u>	<u>-</u>	<u>674,154</u>
AFDC Payments and Penalties	93.560		(19)	(5)	-	(5)
Administration for Children and Families						
Foster Care and Adoption Cluster						
Foster Care	N/A		62,126	61,346	-	-
Foster Care - IV-E	93.658		156,419	44,789	-	44,790
Foster Care - IV-E CPS	93.658		73,187	37,334	-	35,777
IV-E Adoption Subsidy	93.659		133,225	34,081	-	34,081
Total Foster Care and Adoption			<u>424,957</u>	<u>177,550</u>	<u>-</u>	<u>114,648</u>
Child Support Enforcement	93.563		620,246	-	-	319,521
SSBG - Other Training & Services	93.667		326,566	34,617	-	120,394
Chafee Foster Care Independence Program	93.674		5,233	1,308	-	-
Total Division of Social Services			<u>331,799</u>	<u>35,925</u>	<u>-</u>	<u>120,394</u>
Total Social Services			<u>3,161,247</u>	<u>213,470</u>	<u>-</u>	<u>1,228,861</u>
Division of Aging and Adult Service:						
Division of Social Services						
Adult Day Care	93.667		21,019	6,815	-	3,976
SSBG - In Home Services	93.667		15,154	-	-	2,165
Total Aging and Adult Services			<u>36,173</u>	<u>6,815</u>	<u>-</u>	<u>6,141</u>
Division of Child Development						
Subsidized Child Care Cluster:						
Child Care Development Fund Cluster						
Division of Social Services						
Child Care Development Fund-Admin	93.596		80,000	-	-	-
Child Care and Development Fund-Discretionary	93.575		1,152,566	-	-	-
Child Care and Development Fund-Mandatory	93.596		248,561	-	-	-
Child Care and Development Fund-Match	93.596		229,703	57,776	-	-
Total Child Care Development Fund Cluster			<u>1,710,830</u>	<u>57,776</u>	<u>-</u>	<u>-</u>
Temporary Assistance for Needy Families:	93.558		224,096	-	-	-
Foster Care Title IV-E	93.658		18,464	9,479	-	-
State Appropriation	N/A		-	119,149	-	-
TANF-MOE	N/A		-	134,017	-	-
Total Child Development			<u>1,953,390</u>	<u>320,421</u>	<u>-</u>	<u>-</u>
Division of Medical Assistance						
Direct Benefit Payments						
Title XIX - Medicaid	93.778		74,230,380	41,122,042	-	-
Division of Social Services						
Administration						
Medical Assistance Program	93.778		1,804,485	21,399	-	592,710
State County Special Assistance	93.778		81,516	-	-	27,727
Total Medical Assistance Program			<u>76,116,381</u>	<u>41,143,441</u>	<u>-</u>	<u>620,437</u>
Division of Children's Insurance Programs:						
Direct Benefit Payments						
State Children's Insurance Program						
N. C. Health Choice	93.767		913,147	43,991	-	-
Administration						
State Children's Insurance Program						
N. C. Health Choice	93.767		46,403	2,407	-	243
Total State Children's Insurance Program- N.C. Health Choice			<u>959,550</u>	<u>46,398</u>	<u>-</u>	<u>243</u>
Family Preservation	93.556		5,469	-	-	-

**Columbus County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2016**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
<b>Division of Aging and Adult Services:</b>						
Passed-through Cape Fear Council of Government - Aging Cluste						
Special Programs for the Aging - Title E	93.044		-	-	-	-
Special Programs for the Aging - Title C	93.045		180,377	10,610	-	-
NISP Congregate USDA	93.053		34,542	-	-	-
<b>Total Division of Aging and Adult Services:</b>			<u>214,919</u>	<u>10,610</u>	<u>-</u>	<u>-</u>
Special Programs for the Aging - EBHF	93.043		4,684	275	-	-
Family Caregiver Services	93.052		23,906	1,594	-	-
<b>Total U. S. Department of Health and Human Services</b>			<u>82,836,418</u>	<u>41,804,828</u>	<u>-</u>	<u>1,855,682</u>
<b>U.S. Dept. of Housing and Urban Development</b>						
Direct Program Section 8 Housing						
Low Income Housing Assistance Program	14.871		1,529,019	-	-	-
Passed-through North Carolina Housing Finance Agency						
Home Investment Partnership Program:						
2013 Single Family Rehabilitation Grant	14.239		96,977	-	-	-
Passed-through N.C. Dept. of Commerce						
Community Development Block Grant						
2011 NC Catalyst Grant	14.228	11-C-2369	49,652	-	-	-
2011 Scattered Site Grant	14.228	11-C-2307	8,140	-	-	-
<b>Total U.S. Dept. of Housing and Urban Development</b>			<u>1,683,788</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Federal Transit Administration</b>						
Passed through the N.C. Department of Transportation						
Nonurbanized Area Formula Program	20.509	36233.28.14.1	15,458	966	-	-
Nonurbanized Area Formula Program	20.509	36233.28.15.3	76,658	9,582	-	-
Nonurbanized Area Formula Program	20.509	36233.28.15.1	116,786	7,299	-	-
Nonurbanized Area Formula Program	20.509	36233.28.14.3	97,941	12,243	-	-
Airport Improvements	20.106	36237.53.10.1	5,871	-	-	-
Airport Improvements	20.106	36237.53.7.1	-	-	-	-
Airport Improvements	20.106	36237.53.9.1	-	-	-	-
Governor's Highway Safety Program	20.600	52013.5.5.1	16,000	-	-	-
Governor's Highway Safety Program	20.601	52012.16.17	-	-	-	-
Governor's Highway Safety Program	20.602	52013.12.4	-	-	-	-
Governor's Highway Safety Program	20.600	52015.5.8	31,924	-	-	-
Governor's Highway Safety Program	20.600	52014.12.13	-	-	-	-
<b>Total Federal Transit Administration</b>			<u>360,638</u>	<u>30,090</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>						
Passed through N.C. Dept. of Public Safety						
Emergency Mgt. Performance Grant	97.042		37,658	-	-	-
<b>Total U.S. Department of Homeland Security</b>			<u>37,658</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>U.S. Dept. of Justice</b>						
Passed through N.C. Dept. of Public Safety						
Edward Bryne Justice Asst Grant	16.738		10,500	-	-	-
<b>Total U.S. Dept. of Justice</b>			<u>10,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Federal Programs</b>			<u>\$ 87,682,570</u>	<u>\$ 41,834,918</u>	<u>\$ -</u>	<u>\$ 2,408,884</u>

Columbus County, North Carolina  
Schedule of Expenditures of  
Federal and State Awards  
For The Fiscal Year Ended June 30, 2016

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
<b>State Awards:</b>						
<b>N.C. Dept. of Health and Human Services</b>						
Division of Public Health:						
Communicable Diseases		14514510	\$ -	\$ 3,415	\$ -	\$ -
General Aid to County			-	115,890	-	-
Tuberculosis		14514551	-	30,318	-	-
HIV/STD SSBG Aid			-	12,500	-	-
Sexually Transmitted Diseases			-	2,105	-	-
School Nursing Funding Initiative			-	400,000	400,000	-
Food & Lodging Fees			-	19,193	-	-
HMHC Family Planning			-	3,026	-	-
Maternal Health (HMHC)			-	23,382	-	-
Breast & Cervical Cancer Program			-	10,168	-	-
Child Health			-	3,343	-	-
TB Medical Services			-	1,529	-	-
WHSF			-	7,670	-	-
Division of Social Services:						
State Foster Home - Direct Benefit Payment		N/A	-	39,734	-	39,734
County Funded Programs		N/A	-	-	-	693,655
Non-Allocating County Cost		N/A	-	-	-	9,010
State Child Welfare/CPS/CS LD		N/A	-	96,955	-	-
CP&L Energy Assistance		N/A	-	4,527	-	-
SFHF Maximization - Direct Benefit Payment		N/A	-	130,291	-	130,291
SC/SA Domiciliary Care - Direct Benefit Payment		N/A	-	516,639	-	516,639
AFDC / TANF Program Integrity		N/A	-	610	-	-
CWS Adoption Subsidy - Direct Benefit Payment		N/A	-	140,960	-	22,951
Cape Fear Council of Governments						
Senior Center -General Purpose			-	26,600	-	-
In Home Support Service			-	340,997	-	-
Fans			-	1,168	-	-
<b>Total N.C. Dept. of Health and Human Services</b>			<b>-</b>	<b>1,931,020</b>	<b>400,000</b>	<b>1,412,280</b>
<b>N.C. Dept. of Veterans Affairs</b>						
Veteran Grant		N/A	-	3,051	-	-
<b>N.C. Dept. of Transportation</b>						
ROAP EDTAP		36220.10.6.1	-	57,370	-	-
ROAP WORKFIRST		36236.11.5.1	-	13,967	-	-
ROAP RGP		36228.22.6.1	-	79,280	-	-
Columbus County Airport		36244.18.5.1	-	137,552	-	-
Columbus County Airport		36244.18.6.1	-	10,671	-	-
<b>Total N.C. Department of Transportation</b>			<b>-</b>	<b>298,840</b>	<b>-</b>	<b>-</b>
<b>N.C. Dept. of Natural and Cultural Resources</b>						
State Aid to Libraries			-	115,600	-	-
<b>Total N.C. Dept. of Cultural Resources</b>			<b>-</b>	<b>115,600</b>	<b>-</b>	<b>-</b>
<b>N.C. Department of Public Safety</b>						
<b>Office of Juvenile Justice</b>						
Teen Court			-	59,920	-	-
Juvenile Crime Prevention Adm			-	11,917	-	-
Ambassador Program			-	35,400	35,400	-
Youth and Family Counseling			-	47,405	47,405	-
Safe Haven Afterschool Program			-	49,970	49,970	-
<b>Total Office of Juvenile Justice</b>			<b>-</b>	<b>204,612</b>	<b>132,775</b>	<b>-</b>

**Columbus County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2016**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Passed through to Sub- recipients	Local Expenditures
<b>N.C. Department of Environmental Quality</b>						
Soil & Water Conservation			-	30,229	-	-
<b>Total N.C. Dept. of Environmental Quality</b>			<u>-</u>	<u>30,229</u>	<u>-</u>	<u>-</u>
<b>N.C. Dept. of Environment and Natural Resources</b>						
Division of Waste Management						
White Goods			-	19,605	-	-
Tire Disposal			-	76,433	-	-
Electronics Mgmt.			-	18	-	-
<b>Total N.C. Dept. of Health and Human Services</b>			<u>-</u>	<u>96,056</u>	<u>-</u>	<u>-</u>
<b>N.C. Housing Finance Agency</b>						
2014 Urgent Repair			-	92,689	-	-
			<u>-</u>	<u>92,689</u>	<u>-</u>	<u>-</u>
<b>N.C. Rural Center</b>						
Whiteville Fabrics			-	13,030	-	-
<b>Total of N.C. Rural Center</b>			<u>-</u>	<u>13,030</u>	<u>-</u>	<u>-</u>
<b>N.C. Department of Public Instruction</b>						
Public School Building Capital Fund (Lottery)			-	260,697	260,697	-
<b>Total State Awards</b>			<u>\$ -</u>	<u>\$ 3,045,824</u>	<u>\$ 793,472</u>	<u>\$ 1,412,280</u>
<b>Total Federal and State Awards</b>			<u>\$ 87,682,570</u>	<u>\$ 44,880,742</u>	<u>\$ 793,472</u>	<u>\$ 3,821,164</u>

Notes to the Schedule of Federal and State Financial Awards

1 Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Columbus County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Columbus County, it is not intended to and does not present the financial position, change in net position or cash flows of Columbus County

2 Summary of Significant Accounting Policies:

Expenditures reported in thee SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Columbus County has elected to use the 10 percent de minimis indirect cost rate as allowed under he Uniform Guidance

3 Loans outstanding

Columbus County has the following loan balances outstanding at June 30, 2016 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2016 consist of:

Total Loan Balance as of June 30, 2016	\$ 321,623
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5 Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

Subsidized Child Care, Foster Care and Adoption